

● PSF: Office of Strategic Services: Donovan Reports, Dec. 22, 1941 - January 15, 1942
Folder # 3

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PSF: OFFICE OF STRATEGIC SERVICES

1941-1942

Donovan Report

No. 3

December 22 to January 15

THE WHITE HOUSE
WASHINGTON

December 22, 1941.

MEMORANDUM FOR

COLONEL WILLIAM J. DONOVAN

I think that this is so plausible and yet such an insult to intelligence that it should be broadcast throughout this country and England and South America by some person not connected with the Administration.

F. D. R.

(This memo refers to "Peace Offensive" memo of Donovan's)

December 19, 1941
6 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

Here is a memorandum of the "Peace Offensive" prepared by John W. Wheeler-Bennett. You will remember that he wrote the "Life of Hindenburg," which he called the "Wooden Titan" and also "The Forgotten Peace," which was the Treaty of Brest-Litovsk.

To these states will be presented the new Statute of Europe, and their acceptance is a foregone conclusion.

It is an accepted probability that the Nazis will launch a peace offensive against Great Britain and the United States in the near future, but there is as yet an uncertainty as to the form which the offensive will take.

There are two alternatives:

If, after the capture of Moscow the Germans are able to disengage themselves from the Russian adventure and give the German people a sufficiently convincing picture of apparent gains and successes, Hitler will take the opportunity to "freeze" Europe into the pattern of the New Order. He will convene the second Congress of Vienna and summon to it not only the thirteen contracting parties of the anti-Comintern Pact, but also the puppet regimes of the occupied States including France and even Russia, and the four remaining neutrals - Sweden, Switzerland, Portugal and Turkey.

To these stooges will be presented the new Statute of Europe, and their acceptance is a foregone conclusion.

It is more than possible that Hitler will then declare the war at an end so far as he and the Continent of Europe are concerned, and will declare that he will only bomb Britain in reprisal for a contribution of R.A.F. operations, and may even suggest the suspension of blockades by both sides.

So much for the results of a "success" in Russia.

The other alternative is contingent upon the Soviet Union's ability to maintain an active front in the East. With a running sore in their side, a source of continual draining of man-power, the Nazis have a second and far more subtle plan for a peace offensive.

Like good strategists they have already prepared positions on which to retire politically should the occasion arise.

Ever since the early days of the Nazi revolution there has been current the hope of a split between the Party and the Army. There were moments in the last nine

years when this was a possibility, but today it is one of the most sinister and dangerous weapons in the Nazi armory or propaganda.

Deliberately capitalizing on the fact that these schisms have genuinely existed in the past, and that this is well-known, certain generals have been groomed and coached for the role of the "moderate forces" which will replace the Nazi regime. These generals certainly include Keitel and Reichenau, and possibly Brauchitsch and Bock also, but of these the first two are certainly 150% Nazi, having sold out to the Party well before the Revolution of 1933.

In their new guise, the "moderates" will "prevail" upon the Fuhrer to retire to the Berghof, and will also "arrange" for the withdrawal of other prominent Nazi figures. A few old private scores may even be wiped out in blood to make the picture more convincing. Other civilian "moderates" will then join the military junta -

the infamous Hjalmar Schacht, beloved of big banking the world over; Count Schwerin Von Krosigk, the present Finance Minister, a former Rhodes Scholar - and so gentlemanly and civilized; and even Baron von Neurath whose "humane" rule of Bohemia and Moravia was replaced by the deviltries of Heydrich.

Following the current lines of propaganda- that the German Army, though it cannot win the war, cannot be defeated, and that therefore the Generals are the only factor with whom a peace can be made - the "moderate" German front, will offer terms which will be both superficially plausible and generous. These may include evacuation of the West, and South East of Europe, the restoration of Czech and Austrian independence, etc. And in return there will be asked the retention by Germany of her Polish conquests and a free hand in Eastern Europe.

This whole plan is consistent with the long range

policy pursued by the German General Staff since its inception in 1807, when, after the crushing defeat of the Prussian armies at the hands of Napoleon, Scharnhorst and Gneisenau began to rebuild the military machine, they were determined that it should remain the main-spring and ultimate repository of power in Prussia. It was for this reason that they took immediate steps to capture the nebulous and woolly patriotism generated by the activities of the Tugenbund, convinced that true patriotism could only be expressed through the medium of militarism.

The dangers of this political theory were recognized by their great civilian contemporary, Baron vom Stein, who wrote in warning: "We shall wait in vain for the awakening in our country of that public spirit which the English and the French and other peoples possess, if we do not imitate them in setting for our military leaders certain bounds and limitations which they must not disregard."

But Stein's warning went unheeded, and his predictions

were fulfilled. The power of the military machine grew with the expansion of Prussia and Germany. Held in check temporarily by Bismarck, it waxed strong under his successors, and reached its apogee under the rule of Germany by the Hindenburg-Ludendorff condominium of 1916-1918.

This latter period offers a very cogent example of the military machine as a "peace-maker." The Treaty of Brest-Litovsk, dictated at the command of the General Staff, deprived Russia of 34% of her population, 32% of her agricultural land, 85% of her beet-sugar land, 54% of her industrial undertakings, and 89% of her coal mines. In addition she was forced to agree to pay 6,000,000,000 marks in goods, bonds and gold, on which she actually made gold payments of 120,000,000 rubles. This was the treaty which was described by the army controlled German press as one of "understanding and conciliation," and to which Hitler, himself, referred in Mein Kampf as one of

"positively boundless humanity." *was resulting from*

The policies of Scharnhorst and Gneisenau went down to eclipse but not destruction in the debacle of 1918. Nursed and tended with sedulous care the flame blazed up again in the Nazi Revolution of 1933, and the army entered into a blood brotherhood with the Nazis when it openly condoned the blood-bath of June 30, 1934, and later pledged its fidelity to Hitler on the death of Hindenburg. *quest for the seizure of power. What was*

There had been many among the former General Staff who openly repented the errors of the Great War, which had temporarily deprived them of power. Chief among these they counted the failure of the military party to insist on a negotiated peace after the defeat of the Marne, a peace which would have left the military machine intact, and with sufficient strength and influence to prepare for the next assault. These elements still survive, and would be ready to play the role assigned to them by Hitler in the hope that

out of the inevitable welter and chaos resulting from the conclusion of hostilities they might still retain power and preserve for future conquests the tradition and policies which Scharnhorst and Gneisenau had engendered.

The policy of the German militarists is to be entirely opportunist, to control government when they can, and, when this is impossible, to await the appropriate moment for the seizure of power. Whether in the present situation, they are being used by Hitler, or whether they are under the impression that they are using him, is, from the practical point of view, of little importance, for the army has become identified with the National Revolution and cannot therefore be considered as an element with which negotiation is possible.

No. 92

copy

December 22, 1941
8:30 A.M.

*OK if
agreed to
by State & War
FDR*

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan.

Further on the question of Fifth Column activities in the AZORES suggested by Colonel Knox:

- (a) You will recall that on December 17, noon delivery, I sent the suggestion of an AZORES air patrol.
- (b) This was not approved by the representative here of the Air Force, because of some contemplated movements in the Azores.
- (c) However, the situation has changed, and I feel that I ought to bring it to your attention again.
- (d) As a result of negotiations extending over some weeks time the GOVERNMENT OF PORTUGAL has agreed to grant the concession for internal air service operations in THE AZORES, to an old established shipping undertaking controlled by an Azorean family, which already handles 70% of the business of the Islands.
- (e) The head of this business is an Anti-Axis Portuguese, who is known to be completely reliable and who has already been of considerable service to the Allied Cause.
- (f) He is prepared to initiate immediately the necessary steps to establish bases for the air service operations contemplated, which would provide ideal natural cover for extensive penetration of the Islands for special defensive purposes.

(g) It would be necessary to supply him with some equipment, say two amphibians, and to provide the financial requirements to conduct the overt and covert operations.

(h) The aircraft should be enroute at the earliest possible opportunity, and certain skilled personnel selected for special purposes should accompany the owners to the Islands.

(i) Our Portuguese friend referred to has control of the ships which would carry the necessary equipment to the Azores from the United States, and unloading could be done without undue inquiry as to certain parts of the equipment accompanying the aircraft.

(j) Due to the predominant position in the Islands of our Portuguese friend, he would be in a position to very quickly obtain local assistance without undue risk.

(k) He could also recruit pilots and technicians in numbers without attracting unusual attention, as the operation of the air lines by him has been long expected, and it is known from public utterances he has made in the past that his only desire is to be a pioneer of air service in the Islands, as his family before him were in shipping, and that he does not expect the operation to make a profit for some time.

(l) Therefore, all the necessary cover is provided for extensive penetration operations, and, in addition, the most difficult problem usually encountered in such an operation, namely, means of transportation and infiltration, are provided for in a form which avoids the likelihood of undue attention and suspicion being attracted to the activities of the penetration force.

(m) The cost involved would be, roughly, the cost of two aircraft and ancillary equipment, and airdrome construction, say \$300,000; overt and covert working capital, say \$200,000 - a total of \$500,000, to which must be added the cost of any special "stores" it is possible to introduce in quantity.

December 22, 1941.
12:00 Noon.

MEMORANDUM for The President.

From: William J. Donovan.

The declaration of war by Germany and Italy has brought to an acute stage the problem of securing from Continental Europe newspapers, periodicals, official publications, and other material of this type. So long as the various agencies of the Government make individual effort to provide themselves with this material there is apt to be great duplication of effort and great confusion.

It is therefore suggested that an Interdepartmental Committee be set up, with a Chairman appointed from this office, to serve as a clearing house for all problems connected with the gathering of material described above.

The State Department, Department of Commerce, Library of Congress, Treasury, and possibly the Departments of Labor and Agriculture, should be represented on this Committee, which should be in a position to pool all activities directed toward the gathering of intelligence of this nature.

The need is urgent in order that we may place our microfilm men abroad. If you approve, will you please signify your approval on this memorandum so that we could start work at once.

OK
JHR

December 22, 1941
6 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

Permit me respectfully to submit the following:

I have not been advised of the particular proposals
our government is to make for consideration as a joint
strategic plan for the winning of the war. I fear, however,
that there may be no suggestion that an integral and vital
part of such plan would be the preparation and conditioning
of those people and those territories where the issue is to
be fought.

Based on my observations of wars during the past five
years, I believe it would be a serious error to ignore or
neglect such preparation and such conditioning.

On the offensive, this kind of operation is necessary
in order to disintegrate the resistance. On the defensive,
it is necessary in order to harrass the enemy as local
conditions may permit.

Specifically, I suggest the following:
We can consider this under two types of guerrilla

warfare:

1. That as an essential part of any strategic plan, there be recognized the need of seeing the dragon's teeth in bands under definite leaders. must withdraw and
2. The establishment of guerrilla forces military in nature, in order to secure cohesion and successfully carry out a plan of campaign. inhabitants be cultivated:

It is unnecessary to stress that modern large-sized armies are greatly dependent on roads, railways and signal communications, and the creation of supply and munitions dumps, to keep themselves supplied with food, munitions and gasoline -- without which they cannot operate. These communications constitute a desirable target both of the military and sabotage type.

The principle laid down is that the whole art of guerrilla warfare lies in striking the enemy where he least expects it and yet where he is most vulnerable.

Specifically, I suggest the following:

1. That as an essential part of any strategic plan, there be recognized the need of "sowing the dragon's teeth in those territories from which we must withdraw and in which the enemy will place his army; for example, the Azores or North Africa. That the aid of native chiefs be obtained, the loyalty of the inhabitants be cultivated; Fifth columnists organized and placed, demolition material cached; and guerrilla bands of bold and daring men organized and installed.

2. That there be organized now, in the United States, a guerrilla corps independent and separate from the Army and Navy, and imbued with a maximum of the offensive and imaginative spirit. This force should, of course, be created along disciplined military lines, analogous to the British Commando principle, a statement of which I sent you recently.

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December 23, 1941
8:30 A.M.

and other scarce materials.

3. The labor resources which the

MEMORANDUM FOR THE PRESIDENT

stabilization operations will

FROM: William J. Donovan

make available for production

during the winter.

I have sent to our research group to-

4. The facilities which can be

day the following directive: military produc-

tion in Germany and Russia.

Will you please have the Economics Divi-

5. The food situation and the

sion undertake a study of the effects of the stabi-

products available for civilian

lization of the Russo-German front on the productive

consumption.

power which will be available to the belligerents

Such a study will involve assumptions re-

when activity is resumed in the spring.

6. The effect of the German withdrawal. I

What I have in mind in particular is an

hope you will rely upon our military people in

examination of the effects of the German withdrawal

considering what assumptions appear to be

on:

reasonable.

1. The transport and supply problem facing the belligerents.
2. The rates of consumption of oil

and other scarce materials.

3. The labor resources which the stabilization operations will make available for production during the winter.
4. The facilities which can be utilized for military production in Germany and Russia.
5. The food situation and the supplies of textiles and other products available for civilian consumption.

Such a study will involve assumptions regarding the extent of the German withdrawal. I hope you will rely upon our military people in considering what assumptions appear to be reasonable.

-2-

December 23, 1941
8:30 A.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I am giving below a report from our London office giving an analysis of the weekly propaganda extract from the Ministry of Economic Warfare Material.

"Since declaration of war, Germans in Press and home radio have heard practically no news about the United States other than war reports. German press asserts America is forced to abandon convoys to Iceland and England, unable to send an expeditionary force to Persian Gulf to relieve Caucasus Front, is no longer source aircraft supplies. America is described as being "Blockaded" by Japan.

German press is openly speaking of a "Stellungskrieg" during winter months in Russia using the word "retirement" and phrase "defense Lines" in connection with German activities and stressing Hitler's reference to "defense" of his conquests.

Germans have not been told of the Ciano Darlan meeting nor of the hostages in France nor of the fines levied on the Jews.

In connection with the persistent hints of possible trouble on the home front, the secret field police, an offshoot of the Gestapo, has been given equal control with the commanding officers over noncoms and other noncommissioned ranks in the Army.

Impossibility of granting "winter factory leave" to soldiers is causing a shortage of skilled laborers. Germans abroad are being called to military service. Alsatians and Belgians both Flemings and Wallons have been "invited" like the Dutch and Norwegians to "volunteer" for service with the German armed forces.

In Finland the normal consumers weekly allowance of fat has been reduced from one five seven to thirty-seven grams. Next year fats will probably be reserved for children and invalids.

Health conditions are rapidly deteriorating in Germany. In 1941 compared with 1940 and 1939 increases have taken place in diphtheria, scarlet fever, tuberculosis, malaria and serious tooth decay.

Although Spain has been suffering one
of the worst typhus epidemics in its history,
factories there are making soap for the Germans."

No. 97

December 23, 1941
12 M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

I am sending you the report of Mr. Maurice Halperin, who has just made an examination for us in Mexico. I am sending it just as it came to me.

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December 22, 1941.
6:00 P. M.

MEMORANDUM TO COL. WILLIAM J. DONOVAN

FROM: Maurice Halperin.

Since Mr. Petrullo is preparing a detailed chronological account of our joint activities in Mexico, I shall confine myself to personal impressions and their implications.

Our joint report of 4:00 P. M., December 21, 1941, is in effect a summary of our conclusions and recommendations. I shall, therefore, follow the topical plan of that memorandum.

1. I am disturbed about Lower California because it is certain that only the Japanese know the area well. Both the Mexican government and our own intelligence service are woefully lacking in information. No one seems to know clearly what the dangers in Lower California are, but everyone we talked to felt great concern about that area.

The question of the Sinarquista colonization plans is a good example of this uncertainty and uneasiness. There is no doubt that the stated purpose of the Sinarquistas is merely a blind for other aims. They cannot possibly successfully colonize any spot in Lower California because of

the overwhelming economic difficulties involved. The general impression is that there are probably two real motives behind their plans: 1) Political demagogy, that is, a clever device to deceive their followers into thinking that they have a genuine solution to the agrarian problem of Mexico, and 2) A military purpose, that is, to assist either clandestine Japanese bases which may already be established, or which the Japanese expect to establish in Lower California.

However, that the Axis has a direct interest in the plan is undeniable. I talked with two intelligent Chileans who have recently made a trip to La Paz. On the boat, they encountered four French-speaking "engineers" displaying in their lapels the Sinarquista emblem. The leader of this group frankly explained to these Chileans that he had just come from Vichy France and made no effort to disguise his sympathies, both for Vichy France and for Hitler. He claimed to be a Dutchman, but in the opinion of my informants, he was most likely a German. It is inconceivable that in these days such a person would be travelling from France to La Paz merely because of personal enthusiasm for the Sinarquist colonization project.

2. Why do so many well-to-do Mexicans sympathize with the Axis? In the first place, they share with the rest of the population the traditional

and historic anti-Yankee feeling. In addition, they are intensely Catholic, not only from a religious point of view but also politically. Their outlook on life, in general, and their attitude toward the lower classes in particular, are essentially totalitarian. They fear the democratic and Protestant influence of the United States.

They also labor under the spell of an inferiority complex and are prone to admire the ruthless and machine-like success of the Nazis. Their hatred of what they call "communism", which includes anything that is remotely liberal or progressive, blinds them to any national danger. In addition, in their business practices and in their political activities they are generally so corrupt that they will sell out their country to anybody for a good profit.

The controlling upper hierarchy of the Catholic Church of Mexico is thoroughly medieval in temperament and feudal in political outlook. Except for the outward form of cult and ritual, an American Catholic would scarcely recognize the Mexican Church as related to his own. The Mexican Church, through its close ties with the Spanish Church and the Franco government, has been the chief instrument of the Axis penetration into

Mexico. It actually controls the Sinarquista movement which today represents the most immediate danger to United States interests.

I am impressed by the efficiency and skill with which this organization conducts its propaganda. It preys on the legitimate grievances of the peasants, on their lack of confidence in the government, on their religious prejudices, and on their anti-American feeling. There have been in the last decade or two a number of organizations similar to Sinarquismo but none of them even remotely approach the efficiency of the Sinarquistas. Theirs is a full-fledged Fascist apparatus, unquestionably controlled from abroad. No Mexicans alone are capable of managing such an organization without close supervision of foreign experts.

3. I am more impressed with the lack of organized resistance against Axis influence than by that influence itself. In other words, at the present time, actual Axis power in Mexico is more potential than real. The Sinarquists have still not been adequately supplied with funds and arms. Pro-Axis sentiment has not yet been molded into an efficient and cohesive striking force.

However, given the proper circumstances, the whole movement might suddenly emerge as a full-fledged threat to our security. Hence, the lack of any concerted effort to suppress the movement at this

time is exceedingly dangerous. It would be a relatively easy matter to stamp out this danger right now, but in a short time the Axis may be in a position to create serious trouble for us in Mexico.

I can explain the weakness of the pro-democratic forces in the following way:

The government of Avila Camacho, though it genuinely desires to cooperate with the United States, is unable to do so. To begin with, it is riddled with ideological pro-Axis sympathizers and with corrupt politicians who are concerned only with lining their pockets. In addition to getting as much graft as possible, they devote their main energies to destroying all organizations that may stand in the way of quick profits. This means that they are constantly harrassing labor unions and other groups which put up any resistance to their profiteering schemes. In this manner, they play the game of the Axis, whose chief weapon of propaganda is the "communist menace". Whether they do this consciously or not is unimportant. Actually, they are instruments of Axis policy.

The press gives us a good example as to how this works. Over ninety per cent of the Mexican press, both in Mexico City and in the provinces, is closely organized by a small clique serving the

interests of these money-mad Mexicans. When Lombardo Toledano, a short while ago, at a public meeting exposed in detail the intimate workings of the Nazi organization in Mexico, giving names, addresses, and telephone numbers, the Mexican press unanimously played it down and omitted from print most of the information which he divulged.

Simultaneously, however, through their editorial columns, they raised a big scare about a Communist plot to seize Mexico and named Lombardo Toledano as an agent working directly with Stalin.

The result is obvious and very effective. The Mexican reading public is uninformed about the gravity of the Nazi menace and is fed lurid tales of absurd, non-existent plots. Again, whether the press is consciously or unconsciously playing Hitler's game is unimportant. The objective fact is that it is promoting the Axis cause.

4. One of the first things I picked up on a news stand in Mexico was a copy of La Voz de México, a pitiful little four-page sheet which serves as the organ of the Communist Party of Mexico. The inside two pages were devoted principally to a manifesto just issued by the Communist Party. I was amazed to see what a change had come over the "party line" in the past half-year. The Communist Party in

Mexico declared itself in favor of the most categorical and uncompromising support of the United States in its present struggle against the Axis. It went all the way down the line: bases for American planes, American loans to develop Mexican production, etc. In other words, the very measures which they had previously considered as a most treasonable opening of the gates to "Yankee imperialism," they now wholeheartedly endorsed. As if they were aware that they might be accused of selling out Mexico to the United States, they stated that they had confidence in the post-war period because the Soviet Union would participate in the peace negotiations.

After I got over the first shock of this manifesto, I realized that they were following a perfectly logical policy. The United States is helping the Soviet Union. Both nations are at present fighting a war against a common enemy. The main job then is to defeat Hitler and his allies regardless of any other risks. As for "Yankee imperialism," they'll cross that bridge when they come to it.

A few days later, the Executive Council of the C. T. M. (Confederation of Mexican Workers) also defined its position in the present United States-Axis war. It didn't go quite so far as the Communist Party but also offered very full coopera-

tion with the United States. It admits that the Mexican people have many grievances against the past action of the United States, but Hitlerism is infinitely worse than anything that American imperialism could ever be.

This also represents a fairly consistent position. The C. T. M. line has differed from that of the Communist Party in that it never defined the war as a purely imperialist one in which there was no choice between Hitlerism and "Yankee imperialism." Ever since 1933, it consistently pointed out that the chief menace to the labor movement was Hitler and his allies. It had also expressed open admiration for President Roosevelt's "Good Neighbor" policy. In addition, the C. T. M. also maintains very friendly relations with the C. I. O. of the United States. Incidentally, Lombardo Toledano told us that he lost his esteem for John Lewis when the latter came out in support of Wilkie.

Hence, the present position of the C. T. M. is not unreasonable. In addition, I got the feeling that these leftist groups are intensely nationalistic and actually fear a Japanese invasion. If for no other reason, they want the help of the United States to repel any possible invasion of their soil.

5. In view of what I saw in Mexico and of what I knew before I left, I have a strong feeling that our own policy toward Mexico at the present time

is unbelievably weak, inconclusive, wavering, and most certainly not geared to the present wartime emergency.

In the first place, our information-gathering services in Mexico are quite inadequate to cover the present situation. Colonel McCoy, the Military Attache, himself complained bitterly of the fact that he didn't have the means to do the necessary job. He is, in fact, alarmed by the mechanical inadequacy of our information-gathering services. For this reason, he especially welcomed our presence in Mexico and suggested that an organization such as Colonel Donovan's should constantly maintain field agents in Mexico in order to do those tasks which the Embassy, by its very nature, could not perform.

The Embassy, indeed, seems to be handicapped both because of its formal diplomatic status and by the temperament of many members of the staff. The Embassy cannot go to the sources which we were able to tap. Many members of the staff, in addition, still have not adjusted their attitudes to the new situation. They maintain their personal connections with the Mexican upper-crust, without realizing that most of that upper-crust is consciously or unconsciously allied with Hitler. They maintain their traditional pre-war attitude toward the labor and leftist organizations. I was told by a Cuban diplomat, who impresses me as a

sincere friend of the United States, that to his knowledge only Mr. Trueblood, the new Cultural Attache, has shown any pliability in promoting a friendly attitude toward the United States on the part of liberal Mexican elements.

In the second place, I recognize the same lack of awareness within the State Department itself. I wonder whether the State Department is fully convinced of the gravity of the situation in Mexico. I have seen evidence to indicate that the State Department believes that it can "play ball" with the Sinarquistas. This is a most dangerous illusion which our documentation on the Sinarquista movement will amply prove.

I get the feeling that some of our diplomatic experts are laboring under the old myth that they can eat their cake and have it too. In other words, they seem to think that the Sinarquista movement is a good thing because it is opposed to the Mexican trade union and agrarian movements. They hope they can control it in order that it may be used after the war as a check against any possible development of leftist strength in Mexico.

But this, in my opinion, is absolutely impossible. It is a continuation of the tactic and mental outlook which for years has guided our policy toward Japan, and with such disastrous results.

I think that we can be at least as realistic in our attitude toward Mexico as Mexican leftists are in their attitude toward us. If and when there will be a danger of communism in Mexico -- and there is not the remotest sign of such danger today -- we can cross that bridge when we come to it. Our first job is to win the war, or we won't have very much to say about the destiny of Mexico after the war.

Finally, I think any policy of non-intervention in Mexico in the present emergency can lead to the most lamentable results. We must intervene as skillfully, as realistically and as energetically as possible. At the present time, such intervention can be accomplished with relative ease and discretion because we can work through the Mexican government itself and the labor movement. In the near future, we may have to resort to drastic measures which would have extremely unfavorable repercussions in other parts of Latin America.

In this connection, and as a supplement to the recommendations outlined in our joint memorandum of December 21, I should like to suggest that one of the first measures that we might adopt would be to destroy the Axis propaganda machine in Mexico. There are various ways by which this could be accomplished, and all might be employed simultaneously.

One relatively simple method would be to bring to the attention of the Mexican newspaper owners,

preferably in an unofficial manner, the fact that in the opinion of the United States their papers are effectively aiding the Axis and that if they persist in so doing, they will be placed on the black list. Such a suggestion would undoubtedly produce very quick results.

Another plan would be to help finance a new daily paper of national scope. Still another means would be to establish a new radio station of national scope. Both of these projects, while they would require considerable preparation and expense, are quite feasible and would be extremely effective in building up pro-United States sentiment.

Maurice Halpern

December 23, 1941
12:00 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Through a reliable informant who left France November 20, and is now in this country, we have the following information from Rene Gillouin, a brilliant reactionary intellectual who is playing an important role in Petain's immediate entourage:

Pucheu, Minister of the Interior, is plotting a coup d'etat with Doriot, Deat and the Germans. Their common danger has brought the Marshal and Darlan together and for the last three months the latter has ceased to be "German" and is again "French". He is no longer inclined to yield to German exigencies in respect of the fleet and colonial concessions.

As stated above, this information comes through a reliable channel. It must be pointed out, however, that in respect of Darlan it is in direct contradiction to information which the State Department has just received in an indirect manner from the Vichy Ambassador at Berne.

The informant added the following miscellaneous items:

The Communist Party in France is short of funds. Its activity has greatly subsided and its organization has lost strength. De la Roque's organization on the other hand has grown stronger.

Herriot retains great popularity.

De Gaulle is unpopular.

Sentiment in France is generally pro-British; in Paris unanimously so.

In unoccupied France there are indications of police insubordination towards Petain. Moreover, Gestapo control, though veiled, is as effective as in occupied France.

The informant also gave us names and details of operation of the Franco-British underground organization in France:

British agents disguised as French officers are dropped by parachute each night near a certain city. They bring much equipment with them. A highly organized underground "railway" is in operation for the repatriation of British prisoners of war who escape from prison camps. False papers are furnished them in Alsace. "Debarkation points" are being organized along the Mediterranean coast and the British are already landing supplies and

-4-

equipment experimentally.

December 23, 1941

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

It is suggested that you might wish to take up with the Prime Minister the deplorable condition of the whole Free French movement in this country and inquire into the advisability and possibility of getting out of France some leader, perhaps like Harriot.

No. 100

December 23, 1941
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I talked today with Mr. Fotitch, the Yugoslav Minister. I went over the material that he took up with you.

We have arranged for him to make a Christmas talk to his people, and I think the arrangements we have made for him will give him satisfaction.

No. 101

December 23, 1941
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: WILLIAM J. DONOVAN

The Dutch Minister was in today and delivered your message.

We have already arranged for material to go through KGEI, San Francisco and from GEO, which is located at Schenectady.

We have been sending broadcasts in Dutch and English, but we are now arranging to include both high and low Malayan.

We have already established close liaison with the Netherlands Information Bureau in New York and I think the Dutch Minister went away pleased.

litres held by them in Porto Alegre for Lati No. 102

this to fuel north bound airplanes December 24, 1941
8:30 A.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The following is the substance of recent reports concerning the Condor and Lati Airlines:

LATI

Air France have in Rio 100,000 litres of aviation spirit with Anglo Mexican and 250,000 with Standard Oil Company. The Minister of Air has authorized the Companies to state in case Air France tries to free these products, that the fuel is about to be requisitioned by the Brazilian Government.

Fifty drums of aviation spirit are on the way to Natal by sea due about December 20. This would allow two airplanes to cross the Atlantic.

The Standard Oil Company on instruction from the United States Embassy have refused to deliver 2,000 to 3,000

litres held by them in Porte Alegre for Lati who require this to fuel north bound airplanes from Buenos Aires.

CONDOR

Condor has ceased to operate on account of fuel shortage. They are trying to obtain fuel from the Chilean Air Force in exchange for promises of spare parts to be supplied from Germany.

* * * * *

Standard Oil Company has now issued instructions that no fuel is to be supplied to either Lati or Condor. This applies even to stocks purchased and paid for by these companies but held in Standard Oil Company's warehouses or tanks.

Lati has, therefore, available only such stocks as they hold in drums on their airfields and these are negligible. There are six Lati airplanes now in Pernambuco probably immobilized, one of which is under repair. The

remaining airplane left Rio December 17 for Buenos Aires.

Condor still have some stocks scattered around the country but these are not great.

In West African Ports
December 24, 1941
8:30 p.m.
134

MEMORANDUM TO THE PRESIDENT: that list the significant

FROM: William J. Donovan
fact that there are 92 ships now in home ports.

You will recall that I sent you a memorandum
Also, I assume orders have been issued for
the other day relative to the secret orders sent to
our people to be on the alert to seize Spanish ships
Captains of the Spanish merchant marine.
that are available to us.

Following that, I obtained from the Navy Department the information they had as to the location of every Spanish merchant ship.

I will not bother you with the detailed position of all those ships, but I think it might be of interest to look at the following figures:

At sea in North Atlantic	7
Off East Coast South America	8
In U. S. Ports	8
In South American Ports	4
Due South American Ports	8
In Spanish Ports	92



In West African Ports 7

134

You will notice from that list the significant fact that there are 92 ships now in home ports.

Also, I assume orders have been issued for our people to be on the alert to seize Spanish ships that are available to us.

December 24, 1941
12 noon

MEMORANDUM TO THE PRESIDENT:

FROM: William J. Donovan

Attached is the Summary and Conclusion of a detailed and exhaustive study of the various Supply Routes from the United States to the Russo-German War Zone. The main body of the report is now in process of final presentation, but the general conclusions, based upon a huge mass of Russian and other information, are of sufficient importance to warrant immediate attention. They bring out the following essential points:

- (a) Russia's urgent need of supplies on a large scale, due to heavy losses in productive power.
- (b) The closing of normal channels of supply by the Baltic and the Black Sea, and the at

(b) Murmansk, which is ice-free, but has a least temporary blocking of the Vladivostok handling capacity of only about 100,000 route.

(c) The consequent necessity of utilizing to the full every possible remaining supply line, despite the inadequacy of all of them.

The routes considered in detail are these:

(a) Archangel, which is nearest to the war zone

(4673 miles from New York) and has the largest handling capacity (possibly 300,000 tons per month). The disadvantages of this route are:

1. The ice problem in winter;
2. Restricted capacity of the Archangel-Vologda Railway;
3. Exposure to enemy attack, including air attack on icebreakers, of which few are

available.

- (b) Murmansk, which is ice-free, but has a handling capacity of only about 100,000 tons a month and is much more exposed to enemy attack than Archangel. The Murmansk Railway has been cut, but there is a new line connecting with the Archangel-Vologda routes from Karachi through Eastern Iran Railway.
- (c) Northern (Arctic Coast), by way of the great rivers to the Trans-Siberian Railway. These routes are open only in midsummer and have a very limited capacity.
- (d) Vladivostok, at present unapproachable by American or British ships. Capacity of the port is only about one-half that of Archangel, and the distance to the war front is several times as long.
- (e) Routes through Eastern Turkey, Iraq and Iran.

These suffer from long voyage (12,000 miles from New York), from limited capacity (possibly 125,000 tons per month), and from the fact that they are needed to supply the British forces in Transcaucasia.

- (f) Routes from Karachi through Eastern Iran and Afghanistan, connecting with Russian Central Asian Railways. With minor improvements, these routes might become new Burma roads, capable of delivering some 15,000 tons per month to the Russian railheads.

I am taking up the full report with the Intelligence Offices of the Army and the Navy, and also with the Advisory Committee set up at your suggestion.

consumption, the war has made it extremely difficult
SUPPLY ROUTES
for friendly countries to supply Russia effectively to
meet the Russian demand.
FROM THE UNITED STATES
TO THE RUSSO-GERMAN WAR ZONE

The question of supply routes has been treated in some detail in two reports pre-
GENERAL SUMMARY AND CONCLUSIONS

In terms of practical action, Russia's allies cannot now provide an adequate answer to the problem of Russian supply. Apparently the need is extreme, while the only means available for satisfying it are fractional and only half-satisfactory. A realization of the acute difficulty of this situation is the first essential step toward any practical attack upon the problem.

The two outstanding facts are these:

by depriving Russia of a considerable share of her productive capacity, the war has created a critical and drastic need for foreign supplies, and at the same time, by closing all of Russia's best avenues of foreign

communication, the war has made it extremely difficult for friendly countries overseas to act effectively to meet the Russian shortages.

The question of Russia's loss of productive capacity has been treated in some detail in two reports previously prepared in the East-European Section. 1/ The industry of the country has been seriously damaged, while Germany's superior productive power is reported to be largely intact. Hence, in spite of the present successes of the Russian armies, it is not improbable that their need for supplies will soon be increasingly acute.

The task of the present report is to explore the routes still available for the shipment of foreign

1/ "Losses of Russian Industrial Production Resulting from the Eastward Movement of the War Front," 19 Sept. 1941; "Lines of Communication between the United States and the Russo-German War Zone," 16 Oct. 1941 (Part II, "The war Losses of Russian Industry.")

material to Russia. When this work was first undertaken, it was conceived of, mistakenly, as the task of selecting the most satisfactory route from among a number to be examined; in the end, it turned out to be the task of assessing the possibilities of a number of rather unsatisfactory routes, all of which will have to be utilized and developed if substantial deliveries are to be made.

- - - - -

During the preparation of this report, it did not occur to anyone engaged in the work that the results to be presented, as to the capacity of the several supply routes, might be used as a check upon actual performance in the delivery of American goods to Russia. If any attempt should be made to compare actual American (and British) deliveries with the estimates of capacity here submitted, it ought to be remembered, above all, that in most

instances these estimates show an extremely wide range of variation. Again, the estimates are stated almost always now denied to the ships of countries that are at war in terms of tonnage, and the inclusion in current shipments with Japan. Harbin, opened late in the other war to in large amounts of light but bulky cargo (for example, break the blockade of the European frontier, is not used crated airplanes) would tend to reduce very materially the value of any comparison, on the basis of tonnage, between estimated capacity and actual deliveries. Finally, it must be said that in this report no attempt whatever has been made to enter into the problems of planning, procuring, assembling and loading the required cargo in America, and of providing shipping space for its transportation overseas. chief routes through the Middle East are probably occupied

very largely with the provisioning, not of the Russians, but of the growing British forces in Iran and Iraq -- trade run by way of the Black sea, the Baltic, and the land frontier between those two seas. These avenues are perhaps closed now "Burma Roads" to Russia. Such are the now closed, of course, just as they were during the First

World War. But Vladivostok, wide open in 1914-18, is now denied to the ships of countries that are at war with Japan. Murmansk, opened late in the other war to break the blockade of the European frontier, is not used currently for forwarding shipments to the interior of Russia because of the great vulnerability of this route to enemy attack. The Archangel route is threatened, as always, by Arctic ice, but now it is also threatened by the enemy. The Northern Sea Route to the Siberian river mouths is open for a brief season only, in summer. The chief routes through the Middle East are probably occupied very largely with the provisioning, not of the Russians, but of the growing British forces in Iran and Iraq -- though the two roads from India across Afghanistan may perhaps become new "Burma Roads" to Russia. Such are the

ice, though it is almost certain that the damage just

mentioned will not be squalled during the winter months.
available transport lines to Russia and the Russian
Like the capacity of the port, that of the Archangel-
battle front.

Vologda railway (partly single-track) is the subject

THE NORTHERN ROUTES

Of many varying estimates, the line may be able to handle

The routes via Archangel and Murmansk are by all
as much as 300,000 tons of southbound freight per month --
odds the shortest between the Eastern industrial centers
or only 125,000 tons. The capacity of the railroad is
of the United States and the Russo-German war zone; the

distance from New York to Archangel is 4,673 nautical

miles. In the ice-free season the port of Archangel

can perhaps handle as much as 300,000 tons per month of
imports -- by far the largest capacity of any Russian

port still open to American ships. Unless the season is

exceptionally severe, icebreakers and other aids to ice

navigation will in all probability serve to maintain a

considerable flow of goods to the small ports nearby,

during the current winter, when Archangel is closed by

ice, though it is almost certain that the tonnage just

mentioned will not be equalled during the winter months. Like the capacity of the port, that of the Archangel-Vologda railway (partly single-track) is the subject of many varying estimates; the line may be able to handle as much as 300,000 tons of southbound freight per month -- or only 135,000 tons. The capacity of the railroad is almost completely available for imports, since it carries scarcely any southbound freight of domestic origin. Archangel has two southeastward connections, one via the Northern Dvina River, and the other by way of a newly constructed railroad branching off from the Archangel-Vologda line north of Vologda. The chief disadvantages of the Archangel route are the ice conditions in the White Sea, and the danger of enemy attack by sea, land and air. Ships bound for Archangel travel under naval convoy a part of the distance; but the chief danger is that of air attack upon the icebreakers. The

number of these indispensable escorts is limited, and without their help merchant vessels cannot navigate the White Sea in winter.

The port of Murmansk is never closed by ice, and has a year-round capacity of perhaps as much as 100,000 tons per month of imports. Its railway connection with Leningrad has been cut by enemy action, but north of the area of enemy occupation there is a new railway connecting the Murmansk line with the Archangel Vologda railroad. In spite of the obvious advantage offered by the ice-free port, the Murmansk route is not now used for shipments to central Russia; for the present, at least, the danger of attack is considered too serious.

If the transportation of goods to Russia were not beset with so many difficulties, no one would think of mentioning the Northern Sea Route and its river

connections to the Trans-Siberian railway. The mouth of the Ob is almost equally distant from New York and from Seattle -- about 5,500 nautical miles in either case. The northern seas are open to navigation for a brief season only; and even then the assistance of ice-breakers is likely to be required at certain points -- a fact that might possibly have some bearing upon American construction programs. Long in miles and short in season, the Northern Sea Route has the advantage of being comparatively safe from enemy attack.

THE EASTERN ROUTE

With Japan's declaration of war against the United States and Great Britain, it became impossible for American and British ships to reach Vladivostok (the eastern terminus of the Trans-Siberian railway) or the neighboring Pacific ports of Russia. Yet as long as Russia remains neutral in this conflict, Soviet vessels

and those of other countries not at war with Japan will probably be able to carry cargo of American origin to the Pacific ports of Russia. If Russia and Japan become involved in hostilities, the whole fate of the trade route will then hang on the outcome of the general Far Eastern war. If Japan should be defeated while Germany and Russia are still at war, the Eastern route would be of great significance once again.

Vladivostok is 4,570 nautical miles from San Francisco -- a hundred miles less than the distance from New York to Archangel. But this comparison is deceptive, for the reason that the distance from Vladivostok to the war zone is several times the distance from Archangel to the same region. Also industrial freight from the Eastern states of America, destined for Vladivostok, would travel some additional thousands of miles before it reached the American loading-port on the Pacific. The port of

Vladivostok, with a record of 168,000 tons per month in its best post-Revolutionary years, apparently stands somewhere between Murmansk and Archangel (summer average) in freight-handling capacity.

It is impossible to estimate the extent to which the demands of the war have increased the tonnage of Siberian foodstuffs and industrial products moving eastward over the Siberian railways, and thus competing with foreign imports for haulage capacity; yet the added burden of such domestic freight is undoubtedly heaviest in Western Siberia, where there are four roughly parallel trunk lines leading to European Russia. Another factor of uncertainty, also undoubtedly affected by the war, is the amount of rolling stock available on the Trans-Siberian. Leaving aside the indeterminable factor of rolling stock

miles; from New York via Cape Town to the head of the

Persian Gulf is 12,015 nautical miles; from San Francisco

it seems probable that the Trans-Siberian railway can move westward as much as 250,000 tons of imports per month -- or considerably more than the estimated capacity of the port of Vladivostok. Through four small ports on the Pacific, with their connections by river or road-and-river, a limited amount of freight can reach the Trans-Siberian railway, but hardly enough to effect the supply situation very materially.

THE SOUTHERN ROUTES

From the United States to the Russo-German war zone, the Northern Route by way of Archangel (or Murmansk) is by all odds the shortest, the Eastern Route (via Vladivostok) comes next, while the Southern Routes by way of the Middle East are very much the longest. From New York to Archangel the distance is 4,673 nautical miles; from New York via Cape Town to the head of the Persian Gulf is 12,010 nautical miles; from San Francisco

via Singapore to the same destination is 11,242 miles.

But with hostilities actively under way in the area of

Singapore, it is probably necessary, for the time being,

for ships out of San Francisco bound for the Persian

Gulf to sail by way of the Torres Straits, or even to

pass around Australia -- making the total voyage 12,643

miles in one case, and 13,208 in the other. The passage

by way of Cape Town or Melbourne is probably comparatively

safe, but the sea distance in the latter case is nearly

three times as great as that to Archangel, and the sub-

sequent trip from the port to central Russia is also a

much longer one.

The Southern system of supply routes is very much

more complex than either of the other systems. The

routes through Turkey, Iraq and Iran, may be classified

as the Western Group of Southern Routes. By the spring

of 1942, the routes through eastern Turkey might be

expected to forward about 21,000 tons per month (if the Turkish Government would permit their use). From the Persian Gulf via the rivers, roads, and railroads of Iraq and Iran, the deliveries to Trans-Caucasia and to the Iranian Caspian ports may amount, by the same date, to about 100,000 tons per month.

The Eastern Group of Southern Routes is based on the modern port of Karachi in India. One road across eastern Iran, and two across Afghanistan, connect the railways of India with those of Russian Central Asia. After minor improvements -- which can best be undertaken, in Afghanistan,

the East Iranian Road, connecting with Karachi, may by an American agency -- these roads should be capable of also be required to serve chiefly British needs, but the delivering about 15,000 tons per month each, at the two roads through Afghanistan would seem to be free for Russian railheads.

As a means of delivering supplies to the main Russian armies, the routes of the Western Group have two advantages: in the event of an advance by Germany to the Caspian, the Russian

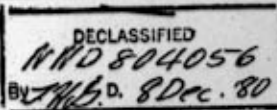
conspicuous disadvantages: First, there is probably a tendency to monopolize their capacity for the benefit of the increasing British force in Iraq and Iran; and second this tendency would be increased, and at the same time the communications of these roads with central Russia would be cut off, if the Germans advanced to the Caucasus and Astrakhan (an event not now so imminent as it appeared to be a short time ago). In other words, the roads of the Western Group appear well suited to the supply of the British in this area, but not particularly well suited to the supply of the main Russian armies.

The East Iranian Road, connecting with Karachi, may also be required to serve chiefly British needs, but the two roads through Afghanistan would seem to be free for development as supply lines to Russia. The one qualification upon their usefulness is this: in the event of an advance by Germany to the Caspian, the Russian

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railway through Central Asia would be obliged to transport a large tonnage of Caucasian oil over the long, roundabout line from Krasnovodsk through Tashkent to Chkalov (Orenburg); and this would certainly limit the capacity of the railroad to handle supplies delivered by way of the Afghan roads.



105

December 24, 1941
12 noon

MEMORANDUM TO THE PRESIDENT:

FROM: William J. Donovan

I have learned from Mr. Herbert, the British censor, that for some time telegrams have been passing between Sofindus, the German buying organization in Spain, and Hisrowak, the Berlin end of this organization, Sofindus expressing anxiety about it becoming generally known of the collection on the Spanish frontier of what they call "Christmas tree decorations". The connotation of that expression is not known, but it may possibly mean German men or material designed to take part in a Christmas coup upon Spain.

Certain telegrams have also referred to a "Gibraltar operation" of an unspecified nature, the date of which has been postponed.

You already know that the Spanish have withdrawn their mail boat service across the Atlantic.

December 24, 1941
6 p.m.

MEMORANDUM TO THE PRESIDENT:

FROM: William J. Donovan

We have just received the following information
on the conditions of crops in Europe:

Finland

The harvest is reported better than in 1939. Provisional crop estimates indicate the following yields in metric tons: oats, 549,000; rye, 272,000; wheat, 169,400; barley, 146,000. The hay crop is estimated 10% better than last year. A good potato crop is expected, but not sufficient for the country's need. It is expected that the shortage will be made up by Germany or the Baltic States.

Bulgaria

Rye, cereals, potatoes, sugar beet and dry vegetables are very good. But a hail storm on July

"Slovak", the quality of roots is good and the harvest 1st in the Sofia district did great local damage and of potato and beets is expected to be good. There are the Ministry of Agriculture is arranging distribution of seed. prospects for podded grains. Sunflower, hemp and

Hungary crops have developed well.

There is much damage in some parts of the country owing to cold damp weather. Recently a fair amount of split seed has been cultivated where hay crops were ruined by rain. The prospects for oil seeds are poor. A private transmitter from the Union of Hungarian Grain Buyers gives this year's bread grain harvest at 22,500,000 bushels wheat and 8,000,000 bushels rye, excluding former Yugoslav districts. The Ministry of Agriculture announces sufficient till the new harvest, which is expected to be similar to last year, but straw is short owing to promises better crops of grain, roots and forage. drought. 90% of the pigs and poultry have been Wheat, rye and oats harvests are fair. The barley harvest is fair to good. Especially in lower

"Savetal", the quality of roots is good and the harvest of potato and beets is expected to be good. There are good prospects for podded grains. Sunflower, hemp and flax crops have developed well.

France and French North Africa

It is expected that the wheat crop will be moderate. Forage is likely to be short.

Denmark

14% beef cattle and 7% dairy cattle have already been slaughtered, but probably the slaughter will increase in the future, as the hay crop is short owing to a dry summer. Last year's grain crop should be sufficient till the new harvest, which is expected to be similar to last year, but straw is short owing to drought. 70% of the pigs and poultry have been slaughtered. There is no shortage of meat and eggs, but

prices are up 40%. The population does not lack food. The winter fuel situation looks serious. Kiln-drying is necessary to keep large amounts of grain in condition, and threshing show poor results. There is a plentiful beet crop. Feeding stuffs are scarce and none are being imported.

Sweden

The hay harvest is poor. Winter sowing is very bad, but summer sowing prospects are better. The harvest is reported under average. The potato crop is of good quality. The root crop is diminished by frost. The beet crop is above average.

Rumania

The wheat, and particularly the barley, crop is well above average. Maize has developed well following the last rainfalls.

Croatia It is estimated at 25,000 to 30,000 tons, of

Harvest prospects are good and considered quite sufficient for the country's needs.

Spain It is estimated that the European wheat harvest

The coming harvest promises at 2,000,000,000 kilogrammes and prospects are considered very good.

In the province of Badajos grain, wine and olive crops were damaged by weather.

Italy

Fruit and part of the harvest are considered good.

Serbia

It is generally reported that the present wheat harvest is well above last year.

Slovakia

The sugar beet harvest is estimated at 205,000 metric tons as against the spring crop of 184,000. Sugar

production is estimated at 28,000 to 30,000 tons, of which 7500 can be reserved for export.

European Wheat

It is estimated that the European wheat harvest will total 43,000,000 metric tons.

Returned

No. 107

December 25, 1941
12:00 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Here are some suggested posters from
Burk and Lichty. Would you let me know if any
of them interest you?

(108)

December 23, 1941.
8:00 P.M.

MEMORANDUM for The President.

From: William J. Donovan.

I have been told in the strictest confidence that the Australian Government (through Mr. Casey) is most anxious that the Supreme Command in the Pacific area should be American. Mr. Curtin informed Mr. Casey that the Australian Government would insist on being fully consulted in the forthcoming discussions; that he regarded Australia as the natural main base for future operations in the South Pacific and Indian Oceans; and the Australians (after what is happening in Singapore) feel more confidence in a United States Command.

Of course, I need not tell you of the extreme delicacy of the above.

-2-

December 25, 1941
12:00 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Permit me to suggest the following:

The censorship is being set up. I think Mr. Price recognizes that it cannot and should not be an intelligence organization. However, it is a source of raw material, intelligently selected by the Censor. It is not a function to sift it nor analyze it -- that the rawer it is the better it is. The material that he has, like the material we get from the British, can be a real contribution to an understanding of what we must meet.

-2-

I suggest therefore the importance of having someone from this organization for liaison with the Censor, in order that we may make the flow of material continuous and uninterrupted.

OK
Jill Byrum Price
JDR

December 24, 1941

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM WILLIAM J. DONOVAN

On November 17, 1941, William Ziff of Chicago, who had been visiting the British Air Ministry in London at their suggestion, had a three-hour conversation with Mr. de Valera in Ireland.

The British Air Ministry told Ziff that German influence in Ireland was great, that German spies were everywhere.

Ziff's impression was that the Germans were not too influential, and that the German official representatives were moderate in number.

Ziff got the impression that the Irish Government preferred a British victory, but that the Irish people might aid invading Germans as

as the lesser of two evils.

His conversation with de Valera is summarized:

1. de Valera said the Irish would fight invading Germans, with pitchforks if necessary, and would also fight counter-invading British.

2. To combat evident belief in an inevitable German victory, Ziff explained in detail the British theory of a heavy bomber war, with American aid, rendering an invasion army unnecessary.

3. When de Valera asked if the Germans wouldn't do the same, Ziff pointed out that the U.S.-British industrial potential was greater, and could be concentrated on planes, while the Germans have a vast fighting and occupation army to supply.

4. de Valera stated to Oscar Traynor, Minis-

ter for Defense, that this discussion had entirely changed his views on the war.

5. de Valera said Irish policy was dominated by the fact that the Irish presently cannot defend themselves, and their fear that cooperation with the British would bring invasion by the Germans.

6. de Valera was particularly interested in airplanes, and seemed to believe the British had stood in the way of their getting any substantial number.

7. When Ziff asked whether, if the U.S. and England gave them equipment, the Irish would

- (a) accept an American Air Squadron of instructors,
- (b) patrol Irish waters and see that equipment was delivered, (c) fire on German planes flying over Ireland, de Valera's tense face relaxed in a warm smile.

8. de Valera said that if the Irish were able to defend themselves, they would consider the entire situation in a different light.

Based on this conversation, Ziff feels that negotiations towards the ends mentioned in paragraph 7 above would be successful, if consideration were given the Irish desire to defend themselves, and the Irish desire to avoid British occupation.

This is corroborated, Ziff feels, by de Valera's permission to him to repeat the entire conversation to Sir Archibald Sinclair, whom Ziff was going to see.

Sir Archibald Sinclair asked Ziff how the matter should be handled, and Ziff replied that he would refer it to the proper authorities in Washington.

No. 111

December 26, 1941

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

With reference to the operation of the airline in the Azores, and also in the establishment of activities in North Africa, I have cleared the matter with Sumner Welles and also with General Marshall and General Arnold. An air officer has been assigned to help work out the details. In view of the fact that Sumner Welles is sending someone to deal with the French, we both thought it unwise, for the present, to send our man to deal with the native chiefs. General Marshall thought it wise to bring Major Peshkoff (who I think you know from the last war -- ~~and~~ the son of Gorky -- who was here on a mission for some time and who has gotten out of Africa, visited here and is now in London) for the purpose of having him advise us on the handling of those native chiefs. This I will take up with Sumner Welles. I must talk with the Budget about funds.

No. 112

December 27, 1941

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The following information has just been cabled to me by our representative in Cairo:

British advances in Lybia necessitated by the escape of Rommel twice from complete encirclement is creating situation which may further weaken British position in Near East if Rommel should escape to Tripoli and there receive air and land reinforcements. Entire Lybian army which has been weakened by losses and hampered by inadequate supply, would be in precarious position. It is believed by all here that drastic enemy action directed in North Africa is in the offing. Large enemy troop movements to Tunisia possible in the near future. British Intelligence Officers are outwardly optimistic but admit privately their inability to predict situation if German North Africa move materializes.

Immediate reinforcement of North African army by American air and ground troops seems the only possible move

which could retrieve situation. Entire war here is being run on a shoestring. It should be kept constantly in mind that there is no margin of safety here for mistakes or losses in men or equipment. Double thrust at Africa under present circumstances would almost surely succeed.

Tempo of German propaganda among Arabs has been stepped up to high pitch in the past ten days causing concern to the British. Theme deliverance fast approaching American effort here hampered by poor communications, much waste and confusion resulting.

December 27, 1941
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

I think you will be interested in the attached report of a curious German broadcast, at 9:15 P.M. EST, December 26, in the English language to North America. A female voice was suddenly heard in the midst of music. Without any announcement she made the remarks recorded and attached hereto. It is possible that these remarks constitute only a publicity stunt, but, on the other hand, they may be interpreted as a pre-arranged code conversation intended for Nazi agents in the United States.

FCC153

TEXT BERLIN ENGLISH 9:15PM TO N.A. 12/26 (SMITH)

(MUSIC WAS PLAYING AND AT ABOUT 9:15PM A FEMALE VOICE WAS
SUDDENLY HEARD, UNANNOUNCED, AND BELOW IS A TRANSCRIPTION OF HER
REMARKS):

~~~~ YOU ARE PROGRESSIVE PEOPLE, MEN AND WOMEN WHO ARE THE BEST  
INFORMED NOT ONLY ON MATTERS OF ~~~~ BUT ALSO VITAMINS AND IMPORTANT  
MINERALS, BUT ALSO ON FOREIGN POLICY AND THE COURSE OF EVENTS IN  
EUROPE.

THESE PEOPLE DEMAND TO BE TOLD BOTH SIDES OF THE STORY. THEY WANT  
TO KNOW HOW MATTERS STAND ON EUROPE'S BATTLEFIELDS AND WHO'S LIKELY  
TO WIN OR LOSE. THAT MEANS THAT THEY DON'T RELY EXCLUSIVELY ON  
INFORMATION OBTAINED FROM THE AMERICAN RADIO AND PRESS, OR PROPAGANDA  
MADE IN MERRY OLD ENGLAND, BUT ALSO LISTEN REGULARLY TO NEWS  
AND NEWS COMMENTS COMING FROM GERMANY AND HER ALLIES.

THESE PROGRESSIVE AMERICANS WANT BOTH SIDES OF THE STORY. THAT'S  
WHY THEY ENJOY THE EXCLUSIVE RIGHT OF CALLING THEMSELVES THE BEST  
INFORMED CITIZENS IN THE WORLD. THESE PROGRESSIVE PEOPLE CLOSELY  
WATCH THE WEEKLY SCHEDULE OF BERLIN SHORTWAVE BROADCASTS TO THE  
UNITED STATES.

ALL OF THESE PROGRESSIVE AMERICANS KNOW, OF COURSE, THAT  
NEWSCASTS FROM THE BERLIN SHORTWAVE STATION CAN BE HEARD DAILY  
AT 6:30 A.M., 8:30 A.M. 6:00P.M. 8:15 P.M.  
BROADCAST FROM GERMANY. WHY ARE THEY INVITING TROUBLE BY ~~~~.  
UNLESS WE DON'T KNOW WHAT THOSE GERMANS HAVE TO SAY ON TOPICS OF  
INTEREST TO EVERY AMERICAN CITIZEN, WE SHALL NO LONGER BE CALLED  
PROGRESSIVE AND BEST INFORMED IN THE WORLD.

NEVER MIND, IF YOU COULD WRITE (OR, YOU'VE THE RIGHT)  
AS WELL AS I TO SEEK RELIABLE INFORMATION, WHEREVER AND WHENEVER  
WE MAY BE ABLE TO GET IT. THAT'S WHY WE SUGGEST THAT OUTSIDE OF

ALL OF THESE PROGRESSIVE AMERICANS KNOW, OF COURSE, THAT  
NEWSCASTS FROM THE BERLIN SHORTWAVE STATION CAN BE HEARD DAILY  
AT 6:30 A.M., 8:30 A.M. 6:00P.M. 8:15 P.M.  
BROADCAST FROM GERMANY. WHY ARE THEY INVITING TROUBLE BY " " " " .  
UNLESS WE DON'T KNOW WHAT THOSE GERMANS HAVE TO SAY ON TOPICS OF  
INTEREST TO EVERY AMERICAN CITIZEN, WE SHALL NO LONGER BE CALLED  
PROGRESSIVE AND BEST INFORMED IN THE WORLD.

NEVER MIND, IF YOU COULD WRITE (OR, YOU'VE THE RIGHT)  
AS WELL AS I TO SEEK RELIABLE INFORMATION, WHEREVER AND WHENEVER  
WE MAY BE ABLE TO GET IT. THAT'S WHY WE SUGGEST THAT OUTSIDE OF  
THESE DAILY NEWSCASTS FROM GERMANY, YOU SHOULD LISTEN TO A NUMBER  
OF SPECIAL FEATURES PRESENTED BY THE BERLIN SHORTWAVE STATION.

FIRST, JANE ANDERSON ADDRESSES HER AMERICAN COMPATRIOTS ON  
SUNDAYS AND THURSDAYS AT 9:00P.M. EASTERN STANDARD TIME. FOR  
THE BENEFIT OF THOSE WHO ARE UNABLE TO TUNE IN AT THAT TIME, THE  
BROADCASTS ARE REPEATED AT 12:15 A.M. ON BOTH SUNDAYS AND  
THURSDAYS. AS A RADIO COMMENTATOR AND PERFECT HOUSEWIFE MISS  
ANDERSON HAS DISCOVERED THAT THE BREAKFAST THAT KEEPS HER FEELING  
AT HER " " IS A BIG BOWLFUL OF KELLOGG'S CORN FLAKES WITH " "  
AND LOTS OF MILK. IT TASTES WONDERFUL, MISS ANDERSON SAYS.  
IT'S NOT TOO HEAVY AND HELPS ME KEEP ON MY TOES.

(THERE FOLLOWS MORE INFORMATION ABOUT PARTICULAR SPEAKERS ON  
THE BERLIN STAFF, WHEN THEY TALK, AND HOW THEY ENJOY KELLOGG'S.  
- ED).

(MORE LATER - GH12A.

GOOD-NITE AND GOOD-MORNING TO YOU ALL.

ADD FCC 153

( BERLIN , IN ENGLISH AT 9:15 PM, TO NORTH AMERICA)

" BUT MOST AMERICANS KNOW THAT O. K. ADDRESSES HIS AMERICAN RADIO AUDIENCE ON TUESDAYS AND THURSDAYS AT 8:30 PM EASTERN STANDARD TIME. O. K. HAS BEEN A TRUE AND ARDENT ADMIRER OF KELLOGG'S CORN FLAKES. WHILE EATING AT "" HE TELLS THE GALS THAT THEY COULDN'T LOOK THEIR BEST UNLESS THEY FELT THEIR BEST. THAT'S WHY YOU GIRLS OUGHT TO EAT THIS DELICIOUS SELF- STARTER BREAKFAST. AND YOU WILL LOVE THE FLAVOR AND CRISPNESS OF EKLOGG'S CORN FLAKES, O. K. USED TO SAY. AND WHILE YOU ARE ENJOYING THIS BREAKFAST. ITS DOING YOU A GOOD TURN TOO IT GIVES YOU FOOD ENERGY, PROTECTIVE VITAMINS, IMPORTANT MINERALS THAT EVERYONE NEEDS EVERY DAY. GET ON TOP OF THE WORLD TOMORROW. PROGRESSIVE AMERICANS EAT A SELF-STARTER BREAKFAST AND LISTEN TO NEWS AND NEWS COMMENTS FROM GERMANY EVERY DAY.

" AND IF A MOST PROGRESSIVE AMERICAN WHO DOESN'T KNOW THE RADIO TIME, HAPPNES TO BE LISTENING, HERE ARE THE HEADLINE INSTRUCTIONS AGAIN. ALL ON EASTERN STANDARD TIME:".

"MISS JANE ANDERSON, THURSDAYS AND SUNDAYS, AT 9:00 PM; FRED KALTENBACH, MONDAYS, WEDNESDAYS, AND SATURDAYS AT 8:30PM AND O. (. TUESDAYS AND THURSDAYS AT 8:30 PM AND THEN THE OTHER REGULARD DAILY NEWCASTS BEGINNING WITH THE EARLY BIRD BOWL OF CRISPLY KELLOGG'S CORN FLAKES AT 6:30 A. M. AND COMING AGAIN AT 8:30 AM, 6:00 PM 8:15 PM, 10:30 PM AND MIDNIGHT. JUST THE HUNDRY NIGHT OWL"" MUNCH A BOWL OF THIS CRISPY KELLOGG'S CORN FLAKES AS YOU LISTEN TO NEWS AND NEWS COMMENTS FROM GERM FROM GERMANY, AND BOY, OH BOY, OH BOY, OH BOY, OH BOY, ARE THEY GOOD. AND LEST WE FORGET, MERRY CHRISTMAS TO YOU ALL, LADIES AND GENTLEMEN, AND ALWAYS REMEMBER , PROGRESSIVE AMERICANS EAT KELLOGG'S CORN FLAKES AND LISTEN TO BOTH SIDES OF THE STORY"

MALLON.

No. 114

December 29, 1941  
Six P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

At about 5 o'clock Sunday evening, a representative of G-2 came to our office with a cablegram from General Mac Arthur. It urged immediate and positive action to restore Philippine morale. It specified that Japanese propaganda to the effect that the United States fleet was inoperative and in hiding was being believed by Filipinos because of lack of information to the contrary. The situation was critical.

Our Washington and New York offices agreed to undertake immediate action to achieve two positive objectives:

1. Give Filipinos official assurance that the United States Navy was neither out of action nor in hiding.
2. Give positive assurance to the Filipinos that the United States was thinking and fighting in their behalf, and that continued resistance to the common enemy would be worthwhile to them.

It was agreed that such assurances should be obtained from the highest quarters, and the



Our staff in San Francisco has previously gathered material about Americans of Filipino blood.

Washington office set about to obtain them. The White House gave the green light.

We prepared and submitted a program. The President issued a statement about 7:30 P.M. The Statement was in our hands about 8:00 o'clock, and before 8:30 P.M., the entire program was being teletyped to the short-wave stations.

The rest was an operational job of seeing that all Filipinos (not just the relatively few short-wave listeners) would hear the President's pledge that their freedom would be redeemed and their independence established and protected. The further job was to retain the initiative over Japan.

We obtained as our representative in the Philippines an NBC executive, Bertram Silen.

There are no reliable communications with Manila. Through the Chief Engineer of RCAC in San Francisco, we arranged to have broadcasts taken from us and rebroadcast by the local stations in Manila.

At 7:45 P.M., Filipino listeners in the Manila area heard a voice from San Francisco begin with



Our staff in San Francisco has previously gathered material about Americans of Filipino blood storming the army and navy recruiting stations, About American reaction to bombing of Manila, and about the praise for Filipino determination and fighting ability in the American press. A swift busheling job, and in less than a half-hour, they had turned out an American news program reflecting the attitudes which General MacArthur had found needful -- but they had presented them in the format of objective news which is the hallmark of American short-wave broadcasting.

KGEI had no facilities for getting any program to RCAC for point-to-point transmission. But KGEI had a land line to NBC and NBC had one to RCAC. NBC engineers agreed to patch the lines across their master control board.

At 7:44, Silen called on the Manila cue channel and said KZRH had cleared its schedule for the program. The announcer for the Bolivian bean program backed away from the mike in KGEI'S studio, and the man with our script stepped up.

At 7:45 P.M., Filipino listeners to the Manila home radio heard a voice from San Francisco begin with

the words:--

"This is the United States of America."

Between the end of that broadcast and 9:00 o'clock, we had processed the President's proclamation, cleared KGEI schedules, and were ready with a completely new program built around the President's proclamation and fresh Philippine news.

At 9:00 o'clock, all six Philippine home stations, and the six Philippine short-wave stations were broadcasting -- from the KGEI-NBC-RCAC point-to-point hookup -- the President's words to the "People of the Philippines."

KGEI, like the other American short-wave stations, continued to broadcast the proclamation in all the major languages throughout the night.

Silen had the text of the proclamation copied, and delivered it to the Philippine newspapers, which immediately rushed out with extras. Boys were hawking them on the streets when the Japs came over.

The air raid interrupted further point-to-point broadcasts for a while, but as soon as it was over, Silen came back and said that he had used the interim to clear the schedules of the 12 Philippine

radio stations, and that all of them would rebroadcast eight programs from us daily. He asked for Tagalog and English only.

In addition, the six short-wave stations will take, as a starter, one half-hour program in Japanese, one quarter hour in Mandarin and one quarter hour in Cantonese.

At 12:30 A.M. today we started this point-to-point schedule of programs, prepared by the C.O.I. and rebroadcast over the 12 stations in the Philippines:

12:30 A.M. (All Pacific Coast Time)

2:00 A.M.

4:30 A.M.

5:45 A.M.

2:15 P.M.

4:15 P.M.

6:00 P.M.

7:30 P.M.

The Japanese program, by short-wave only from six stations, is scheduled for 3:00 to 3:30 A.M., and the Chinese for 6:00 to 6:30 A.M.

The San Francisco office has written especially prepared scripts for these ten shows, with no advance warning, in addition to the regular stint for KGEI.

We moved the President's statement direct to all Manila newspapers, the Minister of Propaganda, et al.



No. 115

December 29, 1941  
Six P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Further in relation to the Manila broadcast, we have just received the following cable from Mr. Silen, our representative there:

"Reception here President Roosevelt's proclamation wonderful. Officials and public profoundly grateful for promises of aid and pledge of future contained in same. Quezon uncontacted yet. Will advise his reaction soonest possible. Jorge Vargas, representing Quezon, presently most enthusiastic and grateful. Americans here greatly encouraged and pleased by promises of early naval assistance. Such things build morale greatly and rapidly. All Stations here lined up broadcast all programs."



No. 116

December 30, 1941  
8:30 A.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have a man in Manila (a regular Army officer, travelling under an assumed name) on his way home to report after studying for us the British under-cover service.

I would like him to organize at once an under-cover system in the Philippines which will function in the event of any enemy occupation.

With your approval, I will transfer \$20,000 to his account to enable him to set up his organization, obtain radio and demolition equipment and pay the necessary expenses of his band.

OK L  
Have him report first  
A McArthur  
ZWR

No. 117.  
December 30, 1941.  
8:30 A.M.

**MEMORANDUM For The President.**

**From:** William J. Donovan.

We have arranged with the United Fruit Company officials to have all of their division heads cover the territory through Central America and report directly to us on the particular directives of the Army and Navy.

General Marshall has stated that he would like our Photographic Presentation Group take pictures of certain sections of Central America. This we are preparing to do.

I understand that the Budget is to submit their figures to you today for the two projects - the Azores and North Africa. We have negotiated today for some amphibians to use in going in there, and I think we have three planes located that would meet the requirements.

No. 118.

December 30, 1941.  
8:30 A.M.

MEMORANDUM For The President.

From: William J. Donovan.

We have made arrangements with a reliable source for a direct line into GREECE, by means of fishing boats. I hope to have some material within a short time as to conditions with the country.

I shall probably be asking your approval for us to gather the raw materials to be sent into Greece, as the Greek guerrilla is good at making his own weapons.

My informant tells me that there are nearly ten thousand former British soldiers in Greece. Some of them are in the streets of Athens, their beards grown and so dressed like the Greeks that they are completely disguised. Many are in the villages and many are still in the mountains. Already we have there a very strong fifth column, and I hope we are going to develop here a fruitful source of information.

No. 119.

December 30, 1941.  
8:30 A.M.

MEMORANDUM For The President.

From: William J. Donovan.

Through a man who spent many years in CHINA and who knows most of the Americans left in Shanghai I think that we have been able to establish a line of communication from here by way of Argentina and directly into Shanghai. As you know, the Chinese line is within one hundred miles of Shanghai, and I am informed that the avenue of penetration is very easy.

In addition, if we get some short-wave material I believe that we can get set up in China transmitters by which we will be able to reach well within the City of Shanghai.

As I see this now, there should be but little cost for the maintenance of this system.

No. 120

December 30, 1941  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The Axis radio called President Roosevelt  
last night,

"That Klinkenputzer in  
the White House."

For your information, a Klinkenputzer is  
a scullion.



No. 121

December 30, 1941  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a recent report on the  
activities of Fritz Wiedemann in China:

Wiedemann's time will be divided between  
Tientsin and Peking, but he will also keep in close  
touch with Tokyo and Hsinking. His position and office  
at Tientsin will serve as a camouflage for his real  
activities.

The following will be working in secret  
collaboration with Wiedemann:

- (a) Gellard or Kellard (uncertain)
- (b) F. H. Glimpf
- (c) Dr. G. Kaumann
- (d) Siegfried Lehrmann
- (e) A. Lueckenhaus
- (f) Dr. H. Northe

- (g) Baron L. von Plessen.
- (h) Friedrich Karl von Schlebrugge
- (i) Dr. H. H. Woidt

(Note: Except for (a) and (b), the above have come to notice in the past as engaged in various activities on behalf of the German Legation or the Party. Von Schlebrugge is a wealthy baron who arrived in North China last June from Mexico, where he appears to have known Wiedemann. He recently spent some weeks in Hsinking.)

The main reason for Wiedemann being sent to the Far East was to speed up Nazi activities and increase Axis pressure on the Japanese, mainly through the young military party. Wiedemann will work through the military in an endeavor to frustrate any attempts by moderates to patch up current difficulties between the U.S.A. and Japan.

No. 122

January 1, 1942  
12 M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

I have heard again of German activity in the southern provinces of Chile. My source stated that there was imminent danger of the Axis attempting closer political control.

You will recall that in my memorandum of December 12, it was stated that there was direct evidence of the existence of four supply bases in the uninhabited network of islands stretching around the coast-line of Tierra del Fuego up to Chiloe, supplied from Puerto Montt and Valdivia, for the benefit of raiders in the South Atlantic and Pacific. It was then said that Japanese and German plans for this region were being put into effect and that the popular front government was facing a grave crisis.

No. 123

January 3, 1942

12 M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The other day I advised you that General Marshall told me he was going to have General Stilwell come to see me. General Stilwell has done so, with his Chief of Staff. I told them that we were preparing to help on the attempted softening-up process of the territory with which we had to deal; that I thought we would be able to aid, particularly in three phases:

1. A plan of short-wave penetration. This we would work out by trying to have it reach its climax on "M Day."
2. The ascertainment of detailed information on particular parts of the territory that he had in mind.
3. The preliminary installation of a group that would be able to strike at the moment he would designate.



I told General Stilwell also that we would organize a task force made up, as he wished, of geographers, photographers, radio men, and representatives of our analyst group, so that we could work with his staff and have the psychological and political preparation go hand-in-hand with the other. This he seemed pleased to have, and I asked him to prepare a questionnaire so that we could proceed systematically.

General Arnold also has discussed the situation with me and we are mobilizing material for him.

You may be interested to know that Lt. Colonel Eddy is going out as our representative to Tangier, to try and tie up the work of those counsels who are already there and who have never had any leadership.

I have had one of our men (Solborg) at the British guerilla school outside of London and he returns today.



THE WHITE HOUSE  
WASHINGTON

January 13, 1942.

MEMORANDUM FOR

W.J.D.

My suggestion is not just at  
this time.

F.D.R.

No. 124

January 3, 1942  
6 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

In accordance with your direction, I took up the matter of Conboy and de Valera with Mr. Hull, through Mr. Dunn, who is the liaison with me.

Dunn reports to me that the Secretary feels this is a matter with which he is not familiar, and that he feels you know more about it than anyone else, and wishes you would make the decision. He feels his opinion would be inadequate.

No. 124  
January 3, 1942  
6 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

In accordance with your direction, I took up the matter of Conboy and de Valera with Mr. Hull, through Mr. Dunn, who is the liaison with me.

Dunn reports to me that the Secretary feels this is a matter with which he is not familiar, and that he feels you know more about it than anyone else, and wishes you would make the decision. He feels his opinion would be inadequate.

No. 125

January 3, 1942  
6 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The following information has just been received  
from our representative in Cairo:

"Along with all the others here, I urge an  
immediate consideration of air reinforcement.  
Reports of British Near East Intelligence show  
complete ground organizations in Crete, Sicily  
and Greece which are ready to receive large  
reinforcements. Due to losses and lowered  
morale from exhaustion, the military situation  
is deteriorating. The Near East is wide open  
and ripe for plucking. The British Command  
agrees on this, but can't get results from  
London. The situation in Alexandria is  
pathetic."

No. 126

January 6, 1942  
8:30 A.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The attached is a copy of a sermon given last July by the Bishop of Muenster. This should provide a useful source for propaganda, and I have taken it up with MacLeish and would also like to use it in North Africa and other places.



3

EXTRACT FROM A SERMON OF THE BISHOP OF MUENSTER,  
COUNT GALEN

Today, Sunday (July 20th) there will be a collection for the inhabitants of the Town of Muenster in all the communities of the Diocese which have not yet suffered war damages. I hope that, through the help of the competent authorities of the State and the Municipality and through the brotherly help of the Catholics of the Episcopate whose gifts are administered and distributed by the "Caritas" organization, much of the suffering will be mitigated. Thank God that for a few days there have been no new attacks from our external enemy on this town. But, unfortunately, I must announce that the attacks of our internal opponent, the beginning of which I mentioned last Sunday in Saint Lambert Church have gone on without heeding our protests, without heeding the sorrows of the people affected and of their relatives. Last Sunday, I publicly accused the Gestapo of wrongs which cry to Heaven: they had broken up the convent of the Sisters of the Immaculate in Wilkinghege and the monastery of the Jesuits in Muenster. They had confiscated their houses and assets and they have thrown the inhabitants into the street and driven them out of their native province. The Lourdes Convent in Frauenstrass in Muenster had also been confiscated for the Gauleitung (District Headquarters of the N.S.A.P.D.). I did not know then that on the same day, Sunday, July 13th, the Gestapo had occupied Kamillus College in St. Moritz - Sudauehle and our Benedictine Abbey St. Joseph in Gerleve near Coesfeld. They confiscated the property and expelled the padres and brethren. They had to leave Westphalia the same day.

On July 15th, the Benedictine Sisters of the Perpetual Adoration in Wennenberg near Warendorf were expelled

and ...

and driven across the provincial border. On July 13th, the Sisters of the Cross in Aspel near Rees had to leave their property and the county of Rees. Had not Christian charity taken pity on the homeless people, even the helpless women would have been exposed to hunger and the inclemencies of the weather. In addition to this I received the sad news that yesterday, July 19th, at the conclusion of the second week of terror for our Muensterland, the Gestapo had occupied and confiscated the German provincial headquarters of the missionaries of the Sacred Heart, the large monastery Hilstrup, well known to you. The padres and brethren had to leave their home and property by 3 o'clock last night. They also were expelled from Westphalia and the Rhine provinces. Of this group of Hilstrup missionaries, 161 are serving as German soldiers in the different theatres of war - some of them in the shock troops. 53 padres are serving as stretcher bearers and some of them have been given the Iron Cross, Sturmabzeichen (badge to the shock troop) and other decorations.

A similar situation is found among the Kamillian padres in Sudmuehle, the Jesuits in Sentaaring and the Benedictines of St. Joseph in Gerleve. While these loyal men fight for their fatherland in national comradeship with their fellow countrymen and risk their lives, their homes are taken from them without any legal justification. When they return, as we hope, victoriously they will find their ecclesiastical family expelled and their home occupied by enemies. What does that mean?

#### HOW IS THIS GOING TO END?

It is not a question of finding a temporary shelter for the homeless inhabitants of Muenster: the members of the orders were ready to restrict their own living quarters for such purposes in order to be able to take in and to provide for the people who had no home. No, that is

really ...

(3)

really not the question. In the Immakulata Convent in Wilkinghege a Gaufilmstelle (District Film Bureau) has been established. The Benedictine Abbey of St. Joseph will be fitted as a maternity home for unmarried mothers. I have not yet heard what is going to be in Sentmaring, in Sudmueler or in the convent in Winnesberg. I am altogether without official communication. No newspaper has so far reported those easy "victories" which have been obtained by the officials of the Gestapo over helpless German women, and of the "conquests" which the Gauleitung (District Headquarters of the N.S.A.P.D.) has made in our own home country in seizing the property of Germans.

On Monday, July 14th, I went personally to see the Regierungspräsident and asked him for his protection of liberty and property of innocent German people. He explained to me that the Gestapo is an independent agency, not connected with the county government, which cannot interfere with the actions of the Gestapo. He promised me, however, to hand on my complaints and requests to the Regierungspräsident and Gauleiter, Dr. Meier. It was no use! The same day I sent to the Reichskanzler and the Leader the following telegram:

On July 6th. the enemy tried to destroy the town of Muenster by terrific night air attacks; since then the Gestapo has started to confiscate monasteries, convents and religious institutions in favour of the Gauleitung. The inhabitants - innocent men and women, honorable members of German families whose relatives are soldiers fighting for Germany - are robbed of their home and their property, thrown into the street and banished from their native provinces." I asked the Fuehrer and Reichskanzler in the interest of justice and unity of the

home ...

home front for protection of liberty and property of Germans against the arbitrary interference of the Gestapo and the plunder of the Gauleitung. I have sent similar requests to the Reichstatthalter for Prussia, Reichmarshal Goering, Reichsinnerminister (Home Secretary) Reichskirchenminister (Minister of Church Affairs) and, finally, to the High Command of the Wehrmacht (Army). I had hoped that, if not the feeling for justice, at least the knowledge of the importance of the unity of the home front would move those authorities to stop the Gestapo in its action against our brethren and sisters and that they would not refuse chivalrous protection to innocent German women.

#### IT WAS IN VAIN.

The action was continued, and what I predicted a long time ago and what I mentioned last Sunday has now happened. We are standing before the ruins of the people's unity, which has been recklessly smashed in these days. I have most urgently drawn the attention of the Regierungspraesident (head of Provincial Administration), of the Minister, and of the High Command of the Wehrmacht to the acts of violence against innocent German men, to the cruelty against helpless German women which defies all chivalry and which can only arise from a deep hatred of the Christian religion and the Catholic Church. These acts of violence have the effect of sabotage of the people's solidarity. There is no community of feeling and thinking possible between myself and those men (and all those who have any responsibility for it) who, without legal justification, without judicial inquiry, without even legal defence, and without judgment, hound down the members of our orders like helpless quarries (Math. 18, 17). I shall not hate them; I wish, from the bottom of my heart, that they would become wise and mend their ways. Likewise, I have sent a prayer of intercession to

God for the soul of Ministerialdirector Roth, who died suddenly on July 5th. He was a Catholic priest of the Archdiocese of Munich who had for years, without permission and against the will of his bishop, been an official of the Reichsministerium for church affairs. He often drew up and signed documents for Reichsminister Kerrl, which infringed the rights and abused the dignity of the Church. Now he has accidentally lost his life while boating on the Inn River. He was drowned in the current. God be merciful to his poor soul! In the same way we want to say the prayers that the Saviour said for those who nailed Him to the Cross, for all who persecuted and slandered us; but as long as they do not change, as long as they continue to wrong the innocent, to drive them out of the country, or put them in prison, for so long I shall refuse to be in any community with them. No, the community spirit and the common aim of our people has been destroyed beyond repair, against our will and in spite of our warnings. I cannot imagine that our townsmen with their old tradition, our peasants, artisans and workmen and our women, I cannot imagine that your fathers, brothers and sons, who are now risking their lives on the front for Germany, will have any spiritual community with the persecutors of the members of our orders. We shall be obedient as far as they are entitled to give us orders as representatives of the legitimate government, but there is no spiritual community possible, no feeling of an internal relationship imaginable with those persecutors of the church, with those intruders in the convents, with those tormentors who chase helpless women and children coming from our best families, our sisters, out of their ecclesiastical homes, where they have prayed and worked for the good of our people for centuries.

I should be ashamed before God and before you, before



all your noble German ancestors, before my valient late father who brought up my brother and me with unflinching seriousness to tender reverence of all womankind and to chivalrous protection of all in need, particularly all those who are brought up in the image of our own mother, even of our Lord's mother who is in Heaven, if I were to keep company with those who drive these innocent women from home and country and make them homeless and destitute. In addition to all that, I want to say what I already proved at great length at the Lamberti Church last Sunday and what I repeat today in great earnestness out of love for our fatherland: the criminal action of the Gestapo against innocent people without legal procedure, without any possibility of defence, the defenceless condemnation of people sentenced from the very beginning and bereft of all legal weapons, destroys the belief in justice and jurisdiction and shatters confidence in the Government.

Surely we Christians shall not bring about a revolution. We shall faithfully fulfil our duty in obedience to God and out of love for our German people and fatherland. Our soldiers shall fight and die for Germany but not for those people who through their cruel action against the members of our orders, against our brethren and sisters, wounded our hearts and shamed the German name before God and before present and future mankind. We shall continue to fight valiently against the exterior enemy, and against the enemy at home who torments and strikes us. We cannot fight with arms. There is only one weapon of defence left - to stand up firm and strong. Be strong, stand firm! We see clearly now what is behind the new doctrine which has been forced upon us for years and for the benefit of which religion has been banned from the schools, our societies suppressed, and for the benefit of which the Catholic kindergartens are being...

being destroyed! The motive behind this is a deep hatred of Christianity which they want to exterminate. If I am rightly informed, such a plan has been pronounced by Schulungsleiter Schmid (Director of Education) about a fortnight ago in the Town Hall before an audience forced to attend, among them school boys and girls. The Kreisleiter (District Leader) applauded and promised to do his best for the realization of this plan.

Be strong, stand firm!! At this time we are not hammers but anvils. Go to the blacksmith, ask him and let him tell you that that which is forged does not get its form alone from the hammer but also from the anvil. The anvil cannot and does not need to hit back. It is only necessary for it to be firm and strong. If it is sufficiently resistant, it usually outlasts the hammer. No matter how violently the hammer may be hitting, the anvil stands long after the hammer is thrown aside, That which is forged now are the unjustly imprisoned, the innocent, the expelled and the exiled. God will help them not to lose the composure of Christian fortitude when the hammer of persecution strikes and wounds them unjustly. That which is forged today are the members of our orders, the padres, brethren and sisters. I have been elated and filled with enthusiasm by the courageous attitude of the valient men, weak and helpless women who were cruelly and recklessly driven out of their convent home, out of their chapels and out of the vicinity of the tabernacle. With head held high in the conviction of their innocence, they go into uncertain exile full of confidence in the One who feeds the birds in the sky and tends the lilies of the field. They even felt that joyfulness which the Saviour expected from His disciples, "You are blessed when you are hated and persecuted by

mankind...

mankind. Be joyful for Me and your reward will be great in Heaven." Truly these men and women are masterpieces of the "Divine Smithy".

At this time, that which is forged by the hammer on the anvil is our Youth: the growing, tender youth - not yet formed and in need of education and we cannot spare them the blows of the hammer of unfaithfulness, of hostility against Christ, of wrong doctrines and bad morals, which are taught to them and even pressed upon them during social evenings in their hostels and during the service hours of their youth organizations which they have joined, as we are told, voluntarily, "with the consent of their parents".

What do children hear in those schools which they must attend nowadays, without any consideration of the wishes of their parents? What do they read in the new school books? Christian parents, ask to be shown the books, particularly the history books of the secondary schools! You will be shocked by the complete neglect of historical truths. In the privileged state educational centres, the Hitler Schools and training centres for future teachers, every influence of Christianity, even every practice of Christianity is excluded on principle. What about the religious instruction for those teachers and ~~their religious instruction for those teachers and their religious~~ practice? Christian parents, you have to look after all this, otherwise you neglect your sacred duties; otherwise you cannot face your own conscience nor Him who has entrusted you with the children, so that you may lead them on the way to Heaven.

We are the anvil, not the hammer. Unfortunately, you cannot spare your children - noble and tender raw material - the blows of the hammer dealt by the enemy of creed and church. But the anvil is creative too.

Liken...

Liken your home, your love and your faithfulness, your exemplary Christian life unto a firm and unshakable anvil, which intercepts the strength of the hostile blows. This anvil must support the tender strength of the young people. It must fortify their sacred will not to be deflected from their way towards God.

It may be necessary, particularly during the war, to impose strong supervision and state planning, even seizure of goods and forced management on national economy on production as well as on consumption; but who would not gladly put up with this out of love for our people and country. But this planned economy means a dependency of every individual on many persons and functionaries. If these persons are representatives of anti-Christian philosophy (Weltanschauung) and if they try to convert those who depend on them to their philosophy, the freedom and independence of conviction might be imperiled. This danger to independence is still stronger in the case of officials. What courage is necessary if they profess publicly to be real Christians and prove themselves as true Catholics in spite of all pressure.

Just now we are the anvil and not the hammer. Be strong, firm and unshakeable like the anvil against all blows, serving most faithfully your people and country; be ready at the same time for the greatest sacrifices according to the words of the Apostle, "You must obey God - not man! Through our conscience, formed by our creed, God speaks to everyone of us. Always obey the voice of your conscience." Take as an example the Prussian minister of justice of a former time, whom I have mentioned once before and whom Frederick the Great asked to change a justly pronounced sentence of a court according to his own desire.

This true nobleman, whose name was von Muenchausen,

gave ...



gave the following answer: "My head is at your disposal, your Majesty, but not my conscience." He meant to imply: I am ready to die for my King obediently, I would even accept death by the hangman, as my life belongs to my King, but my conscience belongs to God alone! Has this species of nobleman disappeared? Are the Prussian officials of this kind dead? Are there not any more business and professional people, peasants, artisans and workmen of the same conscientiousness, and of the same nobility of mind? I cannot and I will not believe that! And, I, therefore, say again and again, "Be strong, firm - resist like the anvil under the blows of the hammer. It might be that this obedience to God and loyalty towards your conscience will cost me and you, liberty, life and home; but, "rather die than sin". May the Grace of God, without which we cannot do anything, give you and me this unshakeable endurance. My Dear Catholics of Muenster: during the night of July 7-8, the nave of the Dome was pierced by an explosive bomb. On the following night, another bomb destroyed the Ludgerusbrunnen, the monument of the blessed Bishop Johann Bernhard Brinkmann's return from exile in 1884. The statues of both Bishops Suitger and Erpho on both sides of this monument have been badly damaged, but the stone figure of the holy Luitger, the Apostle of our Muensterland and the first bishop of Muenster, has scarcely been damaged. His undamaged right hand is raised towards Heaven in blessing as though he admonished us by this almost miraculous salvation; whatever might come, cling to your Catholic creed, given by God to your forefathers.

Be loyal in the midst of all destruction of human works, in need and sorrow, in trouble and persecution! Lift up your hearts! Luitger speaks to you and me, his 70th successor to the Episcopal seat of Muenster in the words of the Apostle Peter, the first Pope, at the time of the



(11)

first persecution of Christians. "Be humble under God's almighty hand, then He will uplift you in the right hour. Throw all your sorrows on Him, be sober and watchful, because your enemy Satan is going about like a lion roaring for his quarry. Resist him by being loyal to your faith! The God of Mercy, Who has called on you through Jesus Christ to join Him in Glory after a short time on earth, will arm you, strengthen you and make you firm. To Him belongs the Honour and Glory from eternity to eternity.

December 29th, 1941  
AET.

No. 127

January 5, 1942  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

It would seem to me that we should envisage the possibility of Germany attempting to strike through the Middle East (using an advance into North Africa as a mask) and perhaps against Turkey, in order to constitute one side of the pincer and using the other as the drive in the South Pacific.

This gives added importance to India and Burma. I think we must consider that as part of our propaganda strategy.

As I wrote you the other day, I am waiting for transportation to get our people to Australia so that we can use that as a base in the whole South Pacific.

January 5, 1942

6 P. M.

MEMORANDUM TO THE PRESIDENT

From William J. Donovan

The following is a brief report which will show the importance of the Philippines to Japan and the United States:

In a normal trade year the Japanese receive certain basic materials from the Philippines. Such imports by Japan are now cut off. One result, therefore, of Japanese conquest of the Islands would be the renewal of such trade. At the same time, a blow would be struck against the United States which depends upon the Philippines for a few vitally-important commodities.

One indication of what the Japanese would gain in taking the Philippines can be seen in a survey of Philippine resources. Annual production of basic materials in the Philippine Islands in recent years has been as follows, in metric tons:

|        |        |
|--------|--------|
| Chrome | 70,000 |
| Copper | 7,000  |

|            |                           |
|------------|---------------------------|
| Gold       | 30                        |
| Iron Ore   | 1,200,000                 |
| Manganese  | 22,000                    |
| Abaca      | 200,000 (for manila hemp) |
| Copra      | 500,000                   |
| Maize      | 500,000                   |
| Rice       | 2,000,000 to 2.5 million  |
| Tobacco    | 35,000                    |
| Cane Sugar | 1,000,000                 |
| Lumber     | 2,500,000 (cubic meters)  |

Japan has already been receiving practically all of the iron and most of the manganese produced in the Philippines. Japan needs almost all of the other articles, especially the sugar for her sugar-hungry people.

The percentages of total United States imports of certain commodities which came from the Philippine Islands were as follows:

|             |     |
|-------------|-----|
| Copra       | 95% |
| Cane Sugar  | 30% |
| Chrome      | 25% |
| Abaca       | 97% |
| Coconut Oil | 99% |
| Copper      | 10% |

In addition, minor quantities of tobacco, manganese, and other products were shipped to the United States.

It would be rather difficult to apply a "scorched earth" policy in the Philippines on a very large scale. Some of the productive resources might be destroyed before the Japanese secure control; however, some areas are already in Japanese hands. The small amount of capital equipment used in the mines makes it difficult to put them out of use; and the maintenance of production would be further aided because Japanese investments, operators, and labor are already on the scene. An important manila hemp area, for example, on the island of Mindanao, is already held by the Japanese.

Agricultural crops such as sugar, rice and tobacco are of great value to the Japanese and difficult to destroy. Nor is it likely that the Filipinos will be very keen to cooperate in the destruction of crops since the islands are already short of foodstuffs. Other peoples have burned the earth and retreated,



but the Filipinos have no such possibility. They must continue to live where they are and are not likely to view with favor any wholesale destruction of the islands' resources.

In terms of strategy the Philippines differ from Hongkong in that the latter might have been blockaded and its influence neutralized. But the Philippines, although not self-sufficient, were so strong and so extended as to make it dangerous for the Japanese to do anything but try to conquer them by direct assault.

No. 129

January 5, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

From William J. Donovan

The following is a copy of a cablegram which I have just received from our representative in Cairo:

"For Donovan only. Do not repeat until you hear from the President. Plans are being discussed here for French North Africa, involving every phase of propaganda needing printing and radio equipment in large quantities, also extensive carefully-selected personnel and organization, as anything British is poison to the French. This effort will have to be strictly an American one, as written reports on the way show British technical equipment to be very scarce. Will you cable details as available, so we can inform people here of our ability to meet requirements. You in Washington will know immediately whether recommendations and general plans being forwarded to the President are rejected or accepted."

January 5, 1942  
6 P.M.MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

Today Miss Pearl Buck, the authoress, came in with her husband, Mr. Walsh, who is the publisher of "ASIA." She was very much concerned of the attitude of mind of the Chinese people and the efforts made by the Japanese to assert themselves as the leaders against the white race. She said that the Japanese were playing up the racial antagonism of our country, and said that capital had been made of the fact that both Churchill and Wavell in their recent statements had ignored China as an Ally. She stressed the necessity of not affronting their self-respect. She thought that some statement from you to the Chinese, such as you made to the Philippines would be of help. May I respectfully suggest something for consideration.

I have not been advised of the negotiations going on and, of course, that makes it difficult to tie in the material for study. What I say may have been already dealt with. It is apparent that in the Pacific we are going to lose a lot before we ever gain anything. I do not see how we can afford to be driven beyond Australia and India before we start to move back. It would seem, therefore, that we would need a base in Australia from which to move into the Philippines, but we would need a base also somewhere in India

that would be near the sea and yet close enough to reach into China by air. With a position somewhere near Calcutta, and a position in Northern Australia, there would be an opportunity for a concentric move against Japan. If in India could be established some outstanding military officer with a base, with troops and with air power, we could have an advance base in Chungking. (I think for us to have the main base here would be a serious mistake because your representative would just be held in chains.) If there were associated with this military officer some naval officer, then he would be in an advantageous position to cooperate as our representative both with the Chinese and with the British.

It would seem to me that if that were done, and done for the avowed purpose of giving full support to the Chinese, such action would lend support to all that you might say, as well as to what you have already stated.

All of this may have been already anticipated and I do not develop the idea now. I state it only because I feel that there is weight in it and you might want to do something with it.



No. 131  
January 5, 1942  
6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

From William J. Donovan

After meeting with the Intelligence Services of the air, land, and sea forces, they have agreed to set up a Directive Committee to work with our Photographic group. We have obtained some new cameras that will deal with the three dimensions, and we are going to try, within the next few days, to see how they work on pictures taken from the air.



No. 132

January 5, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

As I told you in my memorandum of January 3, I have talked with General Stilwell. I have already gotten in contact with the group here who are in close affiliation with the Cape Verdians and have also obtained two sea Captains who have been voyaging there and have some 16 mm. pictures of the islands. I had not previously been advised by the War Department of this situation but I hope that we will have material on it for you within the next few days.

No. 133

January 6, 1942  
8 A.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

It is strongly recommended by Dr. Vilhjalmur Stefansson that the oil fields and refinery located at Norman Wells in the Mackenzie River District in Canada be used to supply the defense needs of Alaska.

According to Stefansson, production at Norman Wells could be easily stepped up to about 5,000 barrels daily. A winter road across the Divide could be cheaply constructed to transport this oil to Alaska. According to Stefansson, this would make Alaska independent of sea-borne supplies and would relieve the Navy of the task of convoying tankers.

No. 134

January 7, 1942  
8:30 A.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

From a very reliable source we have received the following information with respect to the present political situation in Greece. The references to Maniatakis are particularly interesting.

Nearly all of the important political personalities in Greece have died during the last six or seven years (Venizelos, Papanastasiou, Michalacopoulos all Liberal Party Prime Ministers; Tsaldaris, Condilis and Vozikis). The few remaining leaders, such as Cafandaris and Sofulis, are too old and feeble to exert any real leadership today.

During the past years of dictatorship in Greece, no leadership has been developed among younger men and it is certain that the problems of leadership will be very difficult during the years following the war. The members of the Metaxas cabinet are not and never have been popular enough to have a chance of election to any important post in any free elections. The present cabinet in exile under Premier Tsouderos

is composed of persons enjoying the universal respect for integrity and patriotism, but not one of them is a professional politician, all having attained their reputation in other walks of life. In Greece, at least until now, the political system has been such that in order to succeed, a man had to have a large amount of political experience besides the ordinary requirements for a good statesman. In Greece this has meant that the successful politician had also to be an accomplished demagogue.

Regarding the sympathies of all present and potential political leaders, both inside and out of Greece, the great majority are anti-German, with a few notable exceptions. According to latest confidential and accurate information, even members of the Tsolakaglou government in Athens regret the collaboration with the occupation authorities and would resign but are prohibited from doing so.

There is, however, a certain doubt in Greece regarding the desirability of the return of the King after the war. In spite of his completely approved foreign policy, many persons of both major parties still hold him responsible for the long dictatorship



and believe that his return would be dangerous to his personal safety and extremely bothersome to an orderly reconstitution of the post-war state. As a matter of fact, we know that trusted elder statesmen still residing in Greece have sent urgent messages to the Premier in London advising the King to remain aloof from all contact with so-called leaders in England and in the western hemisphere and not to return to Greece until he receives a signal that it is safe to do so. The proposal is that after the war, free elections would take place and after the new government had taken charge the King would be officially invited to return. There is some belief here that the British Government will insist on his immediate return and the message was sent back to Greece to that effect; whereupon it was said that non-Greek military forces would then have to accompany the King. In all events, the government in exile has been advised to purge itself of all persons having had any connection with the Metaxas dictatorship. The above message was received by the Premier during the month of October.

One of the most disturbing factors effecting the King's popularity and reputation is his attachment to Manaidakis, a former Army officer with a rank of



Lt. Colonel who was made Minister of Public Security by Metaxas. (As an interesting interpolation, his name is Mania -- it has the same meaning in Greek as it has in English -- plus "dakis", which means son of). Maniadakis is indeed a man with a grievance -- in his class in military academy, he was the butt of all practical jokes and retains his burning resentment against many of his classmates even to this day. Once he assumed control of the Ministry, he invited German Gestapo authorities to Athens, who instructed him as to organization and operation, and it is said that his public and secret police were perfect little imitations of the German Gestapo agents. In his private office and personal waiting room there were pictures of Goebbels, Himmler and Hitler, and Himmler later visited Maniadakis and was received with public ceremony. The deaths of some of the former Prime Ministers and great popular leaders are attributed to Maniadakis.

When the government withdrew to Crete Maniadakis accompanied it and also escaped with the King to Egypt. There the scandal of his presence in the royal entourage was so great that the King was forced to dismiss him. He left the Near East by means of a Greek steamer which carried Maniadakis and a number of his officers of his

secret police who were left at various ports of call. Maniadakis himself, with several aides and adjutants, later turned up in Buenos Aires still carrying strong-boxes which had been guarded twenty-four hours a day during the trip. The press of Buenos Aires was told by Maniadakis that he had been sent to the western hemisphere by the King as his High Commissioner for North and South America. The Greek Minister to Brazil Dendramis, protested to Maniadakis that he had received no instructions and cabled his resignation to the King. Since then Dendramis has been persuaded to stay, but Maniadakis is still in South America although it is said that he is planning to come to the United States.

His business agent in the United States is a man named Mermingas who lives, I believe, at the Lexington Hotel in New York City. Mermingas was sent here during the Graeco-Italo war with the commission to buy supplies for the Ministry of Public Security. He carried instructions to Greek authorities residing in this country which allowed him to add percentages to the cost of his purchases, part of which he has kept in trust for his superior's personal use. A report of his

actual purchasing transactions can be assembled if desired.

It is certain that Maniadakis has a sinister hold on the King, and through his secret police he has enough explosive material on other personalities to make it unhealthy for them to oppose him too openly. His chief adjutant, Angelatos, is with him in Buenos Aires.

Besides Maniadakis, there are in this country Kotzias, former mayor of Athens and presently Minister-Governor of Athens, and Apostolides, former Minister of Finance under Metaxas. Kotzias is not particularly dangerous but his publicly expressed sympathies have swung widely from pro-Ally, passionately pro-Nazi and again, while here to pro-American. Apostolides should be taken more seriously and I will attempt to report on him at length in another memorandum.

It can be seen from the above that Greek leaders in exile are in a state of disorganization,



No. 135

January 6, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

There follows a summary by Professor Bruce Hopper of Harvard of a conversation he had recently with Ex-Chancellor Bruening:

The Soviet war bulletins must be read with a detailed map for reference. It is then seen that the exaggeration must have a political purpose. Even the maps reproduced in the press here are wrong. For instance, the Red Army has been advancing daily on Volokolamsk and Mozhaisk, and is still not beyond these two contested points. Yesterday's dispatch includes the sentence: "Nazi efforts to halt the Russians West of Klin failed....."etc. West of Klin can mean only a few miles.

I went over the map with him point by point, and must admit that there is wide discrepancy between the headlines, the news leads, and the actual place names where the armies are in contact. The only way one can follow the campaign, and make significant deductions, is with a large map of the type furnished to the American Delegation of the Paris Peace Conference in 1919. (Of course, my informant, while bitterly anti-Nazi, retains a keen academic interest in the German army; but in these two-and-a-half years of war he

has been right most of the time.)

#### The Retreat.

(a) The retreat was foreseen, because Hitler started at least one month too late.

(b) Despite the fact that nearly all of the Russian first-line troops were wiped out, the task was too great for the German Army. The complete encirclement of Moscow would require 30% of the total German strength not engaged in the encirclement of Leningrad. The Southern Army was denuded to overload the center, but still it was not enough to close the pincers around Moscow. In the South, the Germans had the job of capturing Rostov and pacifying the Donetz with only panzer divisions, which were insufficient. Also the encirclement of large, sprawling towns was a process which deprived the Germans of the strategic surprise which had been their great advantage in the West. Consequently, after the middle of October military spokesmen in Berlin kept up a series of warnings to the public against the personal optimism of Hitler. The Germans just did not have enough men for completing the job so late in the season.

(c) A third factor in the retreat is that three fresh Russian divisions from Lake Baikal were thrown into the counter-offensive in the South, indicating the possibility that Stalin may have known about the forthcoming attack of



Japan on Pearl Harbor. to evacuate is evidently very

(d) It is possible that Hitler believed, and still believes, that the Japanese surprise attack would swing the balance in his favor, and presage the end of the war.

(e) Hitler's issue with the General Staff dates from the beginning of the war, June 22. The Army drew a line which it could hold over the winter. An Army can afford to advance slowly so long as its strategic position is sound. But a dictator must have victories continuously. The decision to push the attack on Moscow in November was probably Hitler's. He acts now as though he were badly frightened of his Generals. It was different in the case of Napoleon who created his own Generals. Hitler, on the other hand, inherited the best Generals in the world. When he takes control out of their hands he must be prepared for something less than full cooperation. Hence the removal of von Brauchitsch and von Bock; others will follow. The key man and brain is Halder, who replaced Beck as Chief of Staff.

(f) The winter line will probably be Valdai Hills to a point half way between Vyazma and Smolensk, thence Bryansk, Kharkov, Donetz, Mias River (just West of Rostov). If that proves to be true, then the Germans will still have control of most of the coal, and considerable munitions plants. The German destruction of mines and

plants they are forced to evacuate is evidently very thorough.

(g) Leningrad will probably be relieved from the South, as the Germans are in a bad position there.

The Spring Offensive.

Because of the enormous losses in officers and pilots, it can be assumed that Hitler can make only one all-out offensive in the late Winter or Spring. It might be:

(a) A drive to the Baku oil by way of Turkey and Syria. The Syrian field suggests complications because of the French fleet. It is possible that the officers and men of the French fleet, while refusing to collaborate directly with the Nazis, could be persuaded to attempt to recapture Syria for France. The death or removal of Petain, involving the succession of Darlan, might have that military significance in the sequel. Japan is evidently demanding that Hitler attack through Turkey.

(b) Renewal of the offensive in Russia in May. The Germans cannot conquer Russia except by destroying the industrial centers of the Urals and capturing the oil of the Caucasus.

The main point is the serious loss of officers and pilots, which cannot be quickly replaced. That applies also to the rumored occupation of Spain in order to approach Dakar and the jump-off for Latin America.

then The Peace Offensive. elements in Britain with the

Some credence must be given to the suggestion that Stalin knew of the Nazi-Japanese plan to attack Britain and America, just as he presumably knew of the Japanese Army's intention in Manchuria, September 18, 1931. The Japanese attack, plus the Nazi retreat, tends to revive the traditional Bolshevik plan of dominating the whole scene at the end of the war.

It may be that if Japan becomes hopelessly locked (festbegissen) in war to the finish with Britain and America, Stalin will then offer peace and Hitler will accept it. The Bolsheviks undoubtedly retain faith in their capacity to "bore from within" in a German occupying army in Ukraina, as they did in 1918. In that event, and provided the plans for a Supreme War Council announced in Washington go forward, the Bolsheviks would be in possession of whatever secrets may have been divulged in that body.

I asked for his opinion on the British view of the expected peace offensive: That the Nazis will play up to our assumptions of an eventual rift between party and army, and accordingly have begun deliberately to create a group of disgruntled Generals (von Brauchitsch, von Bock, and others to follow, as well as such figures as Schacht, von Neurath, etc.); that this presumed opposition group will

then get in touch with elements in Britain with the suggestion that the Pacific war is really the affair of Japan and America, and that Germany and Britain can make peace in their own interests. Divide and conquer is the idea! Divide Britain and Russia, and Britain and America, etc.

He replied that the von Brauchitsch affair banishes any hope for peace over the head of Hitler at present. It is significant that the Nazis have not announced definite plans for Russian territory under occupation nor for the Baltic states. True, Odessa has been promised to Rumania. And yet the set-up leaves the way open for a Nazi peace with Russia without the necessity of unscrambling territories annexed during the war, or promised independence as in 1918.

Danger for the United States.

(a) The danger that Americans shall not understand the complications of G. P. U. and Gestapo politics and shall not distinguish sufficiently between the Russian people and the Bolsheviks.

(b) The danger that the American tendency to sentimentalize everything will betray us into serious mistakes, etc. by interpreting local engagements which are bound to occur in Russia this winter as decisive military actions determining the outcome of the war. America needs more grim realism and grim imagination for the next three years.



The informant has European sources of information which he considers reliable. Moreover, he is very expert at analyzing the German short-wave radio and in distinguishing between the true and the false and in perceiving the pattern and the trend. For example, he can listen to Hitler's voice in a speech and detect whether the Fuhrer is frightened or confident.

No. 136

January 6, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The attached is a summary of statements made to us by General Robert J. Odie, former Commanding Officer of the French Air Force in Africa.

General Odie is now with DeGaulle, and I understand will take over the Free French command very shortly in Africa.

SUMMARY OF STATEMENTS BY GENERAL ROBERT J. ODIC

November 12, 1941

Suez, being the key to the Near and Middle East theaters of war, is the prime objective of German action in the Mediterranean area. Tripoli is considered precarious and inadequate and therefore the Germans will attack Bizerta as the African port of entry. In order to hold Bizerta the Germans must occupy Algiers and Morocco. The taking of Casablanca and the Canaries would not be as important in the strategy planning as the capture of Bizerta.

Odic states that Weygand could be persuaded to join Allied action if he could be convinced of a reasonable certainty of success. He stated that at least ten Allied divisions would be necessary; and that a landing at Casablanca would not be effective unless the Germans could be prevented from landing and organizing in Tangier and Spanish Morocco. He feels that the Germans could make

use of the Spanish and Spanish Moroccan armies; that those troops are better equipped than the French troops and are good soldiers.

November 26, 1941

General Odic stated that the present French command in Northwest Africa is still susceptible to an Allied show of force and, within narrow limits, to Allied diplomacy. The dismissal of Weygand was not decisive. A decisive British victory in Libya should be accompanied by an Allied effort to consolidate such anti-collaborationist forces as still remain in Northwest Africa.

If the British were successful in the western desert and push on to the Tunisian border, the first German move would be to send large forces through Tripoli and Bizerta. Drastic British action would be necessary across the Straits to prevent mobilization of German forces between the time of the completion of the present battle in the western desert and the transfer of substantial British forces to



Tripoli. General Odie was not optimistic of British chances of consolidating the whole area from Tripoli to Egypt.

No. 137

January 6, 1942  
6 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The following is a brief report on the short-wave handling of your speech today:

The full text of the speech was moved from our office at 10:30 this morning to all short-wave stations in English, German, French, Italian, Finnish, Swedish, Spanish, Turkish, and Portuguese. A 1200-word summary of the high-lights of the speech was sent in English.

The principal American stations began broadcasting the speech at the moment the speech was started in Congress.

Stories were prepared interpreting the speech and quoting sections for broadcast to the Far East through KGEL at San Francisco. These have been broadcast in Dutch, English, Japanese and Chinese. The full text was translated into Japanese, Chinese and Dutch and is being broadcast from KGEL, together with the summary of high-lights, in English.

The part of the speech referring to the production of planes, tanks, and guns was made into a special story and the stations have been asked to repeat it day and night for a week, at least three times during the day

and three times during the night -- some will do it more often. The stations will use 10 and 15-minute highlight stories of the speech for days to come.

Our London office was given the complete text in English and has arranged for rebroadcast over B.B.C. The same arrangement was made with the Dutch at Batavia and with the English at Singapore.

We are sending a summary in direct point to point transmission, through Navy facilities, to the Philippines. Similar summaries are being sent, through commercial facilities, to Batavia and Chungking. Singapore has been asked to pick up the speech and stories from KGEI for rebroadcast.

Numerous special stories for the short-wave radio have been and are being written interpreting and stressing the principal points. Special interpretations have been prepared and are being broadcast to the Far East.

No. 138

January 8, 1942  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Concerning the general situation in Portugal it has been reported to us that there is no question that public opinion is still 95% pro-British. The occupation of Timor occurred after our source had left Portugal, but he has no doubt that the Portuguese people thoroughly understand it and that it will make no difference although, of course, it is dangerous as a pretext to the Germans to "protect" Portugal.

Our source states that Portugal has been almost emptied of soldiers and munitions; and that practically everything, including planes has gone to the Azores, and that if the Germans come in they will not be opposed but they will find nothing of military use



except, of course, what they can convert into bases for submarines. The general opinion in Portugal seems to be that owing to the lack of munitions the Portuguese troops in the Azores could not make much of a stand in the event of a German attack, though they ought to be good for eight days, or enough time to allow the Americans or the British to take a hand. There seems to be no doubt in the minds of the Azoreans that the Islands will be occupied sooner or later by the U.S. and they view this prospect with equanimity.

January 8, 1942  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

It has been reported to us that FOIANINI has left Bolivia and arrived in Argentina with substantial funds, his object being organization of putsch in Bolivia. He is assisted by an Italian named VECARI, who has recently arrived in Argentina from Rome, and is in close touch with fascists in Bolivia. The latter interviewed FOIANINI in Spain and if maneuver succeeds, FOIANINI may become President of Bolivia. FOIANINI has been in conference with both Argentine military fascists and secretly with BASTALLO. We understand latter, although giving way to American economic pressure, will counter this at Pan American conference with suggestion that west coast of South America should be left to protection of South American States. He will also suggest Argentina take

over duty of protecting Uruguay. Same source states that military party in Argentina is strengthening its relations with the Axis and will support any idea that Argentina remain neutral outwardly accepting American influence at the same time making every effort to sabotage allied war plans.

This information has been provided by GOMEZ, who is agent of the Polish authorities in the Argentine. FOIANINI was Minister of Mines under BUSCH.

Polish authorities in London have agreed to this information being passed to American authorities, but ask if American authorities take any action they should either contact GOMEZ themselves or that our Headquarters should be informed prior to such action so that GOMEZ can be instructed to drop all contacts in this connection.

Polish authorities are specially anxious that their organization in South America should not be endangered.

No. 140

January 9, 1942  
12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

It has been learned that on December 5, 1941, F. C. Escobar, the Argentine Ambassador to Madrid, made the following report to his Government:-

"I obtained the following information from a reliable source:-

What has been published about the conference between Hitler and Marshal Petain is not in keeping with the facts, which are certainly quite different, and highly significant. According to the version sent to the Spanish Government by its representative in Vichy, it was suggested to Marshal Petain that he should move to Paris, which would produce a great moral effect both in occupied and unoccupied France, compensating for the



disagreeable effect that would result from the occupation of French Morocco, which would then be carried out by Axis troops.

Furthermore, although Germany does not admit it, she is rather tired of what is happening in Paris as regards the frequent isolated casualties among her forces of occupation, brought about by the civil population. Germany is aware that these incidents and the severe reprisals taken to suppress them are having a very bad effect on morale, and the occupied zone has already become a thorn in her flesh of which she would gladly be rid.

In short, the position is this:-

(a) Germany asked and expected that Marshal Petain would make an explicit statement as a signatory of the anti-comintern pact, definitely explicit statement

as a signatory of the anti-comintern pact, definitely committing himself.

(b) Vichy declares that France, while totally opposed to communism, in its position as a conquered country subjected to an armistice, and not merely a few peace terms, has no sovereign rights authorizing it to commit the country to such far-reaching agreements which affect the future. It is therefore essential, it thinks, to accelerate the armistice procedure, including termination of the occupation.

(c) Germany considers that the French colonies are not entirely under the control of the Vichy Government. In this connection she singles out the North African Colonies. If the colonies could be controlled by Axis forces with the supervision and moral support of Spain, this being considered by Germany as sufficient

guarantee, the seat of the French Government would be transferred to Paris, thus 'sweetening' the nature of the occupation.

(d) To go more fully into the above question (c), Germany considers that the French colonial forces would not obey Marshal Petain if British forces penetrated into the Tunis area; particularly if this penetration were made by de Gaullist troops, which would have the moral effect she fears - that the Moroccan army would not take any defensive measures when it came to a fight between fellow-countrymen. In this event it is thought that the number of defections in Vichy would be infinite.

(e) In view of this fact, if France wishes to retain her position as a European power, she must allow the Axis forces temporarily to occupy the colonies,

without prejudice to a revision of frontiers after victory.

(f) France should expel all Anglo-American citizens from her territory, and from the North African colonies. For this she would be allowed until next January.

(g) Vichy considers that it cannot agree to this point of view, since its peaceful relations with North America permit these citizens, including General Murphy, to remain in French territory in accordance with U.S. reciprocity in allowing French citizens to remain in that country.

(h) The Axis thinks that Spain, which declines to take advantage of France's weak position, would nevertheless be prepared to support the Axis if British forces entered Tunisia.

Resume: The result of the conference does not



show even the preliminaries of an agreement; my informant advises that Spain should adopt a position similar to that of Denmark if British forces should reach Tunis, and this result in the Axis deciding to intervene through the Spanish zone.

The Government here has considered all the above and really does not wish to intervene or enter directly into the service of Germany. General Franco's policy is to be near the Axis but not inside it. Certainly Spain maintains her territorial claims against French Morocco, but she does not consider this the proper time for carrying out her wishes effectively.

Indeed a discussion by the Spanish Government has been postponed for the time being; and in case of absolute necessity, if it were compelled to adopt a definite attitude to the war it would allow the passage of German troops rather than take direct action.

All this will depend on the aspect assumed by events; and it can be said that if Great Britain is not successful in her African offensive, in which case other zones that are not at present the scene of hostilities would be threatened, Germany will not need to send her troops through Spanish territory.

No. 141

January 9, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following message has just come from a reliable source in Stockholm:

Hitler wishes to send more divisions through Sweden into Finland. Two hundred million kronen has also been demanded by the Germans from Sweden for the purchase of goods in Sweden. Sweden has refused both requests. Sweden has sent her troops to prepared positions. She is well-supplied with anti-aircraft guns but not with aircraft. Sweden believes Germany would not act without twenty divisions, and says that she has not got them available now.

No. 143

January 9, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The attached proposal I have submitted to both General Marshall and Admiral Stark. They approve. They think it essential and approve of this particular man. If you sanction it, please let me know as I think we should try to get him off at once.

WJD.  
OK - go ahead  
JDR



1. It is proposed to send Colonel Charles Sweeny  
to Morocco to investigate and eventually to organize an  
uprising of native tribes against German occupation.

Colonel Sweeny was one of the organizers of the  
American Volunteer Corps in the French Army in 1914. He

served in the Foreign Legion from 1914 to 1917, reaching

the grade of Captain. He was attached to the Viviani-Joffre

Mission to the United States in 1917. Transferred to the

American Army, he served in France until after the Armistice.

In 1925 he served in Morocco in the Air Force and was

Honorary Commander of the Sultan's Guard. During the opera-

tions against Abd-el-Krim that summer and autumn, he command-

ed the Air Force in support of the columns engaged in the

Qouergha Valley and the Riff Mountains. The most active of

these columns was commanded by Colonel Nogues. In execution

of his mission, Sweeny attached himself to this column and,

for three weeks, lived in the same tent with the Column

Commander. This is the same Nogues who, today a full General, is Resident-General of Morocco. General Juin, Commander -in-Chief of the French Forces in North Africa, then a Captain, was Nogues' Chief of Staff. The three men have remained firm friends.

2. While in Marrakech, Colonel Sweeny knew intimately the three great Caids of the South: El Glaoui, El Gundalfi, and El M'Tigue. The latter two are now dead and El Glaoui remains Supreme Lord of the Atlas Mountains under the French.

El Glaoui, the Chief of the Glaoua tribe, was chosen by Lyautey, Conqueror and First Resident-General of Morocco, to pacify and organize the territories of the Sus and the Atlas Mountains of Southern and South Eastern Morocco. It was Lyautey's policy to count on the great land and religious chiefs more than on the force of arms. Even with this policy, it required 25 years to subdue the Atlas definitely.

El Glaoui, by this association with the French, has become

a very wealthy man. French and English bankers estimate his wealth in the neighborhood of twenty-five million dollars. He is convinced that a German occupation of his country would entail the certain loss of his position and fortune. To attach him to our cause, arms, and eventually money, would have to be supplied.

3. The tribesmen of the Atlas and of the Anti-Atlas Mountains towards the Sus and the Sahara Desert are very warlike. It would be possible to arm at least 100,000 of them, and possibly 250,000. The road system from Morocco to the South toward Dakar, passing through mountains and desert, is very open to attack by bands of guerrillas. The French, in spite of their long experience in colonial warfare, found this their greatest difficulty in the Conquest of Morocco. For example, Marshal Petain required ten months and a force of 150,000 men and 30 batteries of 65 m/m mountain guns to put down the Abd-el-Krim



insurrection of 1925-26. Native African troops and the Foreign Legion, men hardened to the desert heat and the mountain cold, made up 90% of this force. Even then the operation was finally successful only because of the support of certain local tribes. The Germans, who know nothing of the art of colonial warfare would, at first, find the problem almost impossible of solution and would always be in difficulties. Colonel Sweeny does not feel that it would be possible to prevent the Germans from reaching Dakar once they had occupied Northern Africa, but he does feel that communications could be made extremely difficult and at times impossible.

4. As soon as it was certain that the Germans intended to occupy Northern Africa, rifles and machine guns would have to be landed on the Moroccan Coast in the region of Agadir, or further to the south.



Colonel Sweeny proposes to go to Morocco to contact El Glaoui and other friends in the tribes and among French Colonials. He will report with the least delay possible. Any effective plan will inevitably call for the landing on the Coast of requisite arms and munitions, an estimate of this would be furnished with report by Colonel Sweeny.

January 10, 1942  
12:00 Noon

PART I

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

REPORT ON AXIS BROADCASTS DURING WEEK ENDING JANUARY 9, 1942

This report concerns Axis broadcasts for the week ending Friday, January 9, 1942, and is based on:

1. Monitoring reports of the Federal Communications Commission.
2. Available information from the British Broadcasting Corporation Monitoring Service.
3. Reports of the Columbia Broadcasting System's short-wave listening station and National Broadcasting Company's listening post.
4. Independent listening by the staff of the short-wave intelligence unit of my office.
5. Analysis of other available news from Axis sources.

## PART I

### The Score

These were the outstanding propaganda plusses for our side during the week.

1. The President's report on the state of the Union. (See Part I)
2. The leaflet deluge over France, with immediate follow-ups by short-wave. (See Part II)
3. The four-fold increase of short-wave coverage on the Far East. (See Part III)
4. World reaction to the Declaration of the United Nations. (See Part IV)
5. The favorable, though scanty, military news from the U.S.S.R., China and Libya. (See Part V)

These were the principal propaganda minuses for our side during the week:

1. The utter lack of stirring news from the Philippines or Malaya. (See Part V)
2. The absence of follow-through on the United Nations declaration. (See Part IV)
3. Our failure to find a positive propaganda value in the "tactical disappearance" of the United States Navy. (See Part V)
4. Our inability to talk frankly to the Free French about St. Pierre and Miquelon. (See Part II)

### Reaction To The President's Address:

Again Axis Propagandists have been required to attempt a most uncomfortable chore. They are trying to refute the President, but they dare not reveal the original statements they are refuting.

Obedient Fascists, who listened only to Nazi-controlled radios and read only the local newspapers this week, have so far learned that the President made some kind of a speech. They don't know when, nor where, nor to whom. They have not heard the reason for his speaking. They know that he promised high taxes to the American people, but they have no information about precisely what these taxes may be spent for. They have heard that the speech showed "spiritual sterility" and that it was intended to intoxicate listeners, but they have not been permitted a single sup of the speech itself.

The nearest any Axis-controlled radio came to disclosing the magnitude of the President's war program was a statement from radio Lille, monitored in London, reporting that the President's "impossible program" would require the manufacture of one airplane every minute.

The twelve hours after the President finished speaking, no Axis newscast reported a word about it.



The first station to mention it was Oslo, broadcasting to Germans in Norway. It reported in a "Dispatch from Amsterdam", that the President had spoken, but gave scant indication of what he had said.

The next morning the Nazis began to feed out dribblets of comments. No comment occupied as much as a half a minute of air time. A typical example from Berlin began: "The war-mongering Roosevelt has had an eye on the territory of other countries for some time, and now he admits that the U.S.A....."Etc.

English language broadcasts to the United States, between 1:00 and 4:00 A.M., Central European Time, have given more attention to the President's address than any others. But even these broadcasts do not quote the President directly for as much as one full paragraph.

Rome ignored the whole affair until Thursday Noon, when its short-wave stations quoted one brief, derogatory comment from Virginio Gayda.

Berlin, on short-wave, then came through with an explanation of why the Italian press and radio had suppressed the President's speech. The Italians had decided, said Berlin, that the President intended the speech for local consumption only and it "was therefore of no interest to Italians."

Saigon and Vichy read what appeared to be brief

DNB dispatches, reporting that the President had spoken, but likewise suppressing the figures of his war program, and all other pertinent facts.

The Japanese have ignored the speech completely, but on Tuesday afternoon Tokio broadcast extensive arguments about the power of "have not" nations to outproduce the "haves". Subsequently the German short-wave found many occasions to argue that the spirit of a nation, rather than its resources, determined its ability to win wars.

The British Broadcasting Corporation promised in its broadcasts of Tuesday that the President's wish that our production figures might be heard in Axis countries would be fulfilled. They have been making good on that by repeating the figures in all programs beamed to the Continent and the Far East.

#### Notes on Part I

With this kind of ammunition, it has been gratifyingly easy to keep the Axis propagandists on the defensive for the past three days.

We augmented the regular language output of Domestic short-wave stations, providing them full texts of the President's address in eight languages.

We also made recordings of "spot announcements".

## PART II

These were two-voice records, containing the high spots of the President's war program. They required one minute each, and were made in eight languages. The stations are using them to open their foreign-language broadcasts on all beams.

Domestic newspaper and radio commentaries have made the President's address fresh news on subsequent days, and we are hoping to obtain comment from Latin American newspapers through the Coordinator of Inter-American Affairs.

...like this:-

"The texts of the radio broadcasts are already known to most of you listeners in France.

If you haven't seen one yet, you undoubtedly will shortly."

A slight re-wording makes the same thought usable in other languages, particularly in Italian and German.

In view of the directive from the State Department, forbidding comment on the St. Pierre and Miquelon situation, our short-wave stations have been needing something to change the rather unrealistic pattern of their broadcasts to France. Some of the French-language broadcasters have confessed to feeling a bit sorry, and one of them called our monitors to ask if this feeling were reflected in his broadcasts.

## PART II

### The Leaflets

At this writing, the Axis propagandists have not yet replied by radio to the deluge of our leaflets dropped over France last night.

### Notes on Part II

The follow-up by short-wave from this country will be thorough-going.

We have not been able to release the text of the leaflets for broadcast, but we have capitalized on that fact by suggesting that American broadcasters say something like this:-

"The texts of the leaflets probably are already known to most of you listeners in France. If you haven't seen one yet, you undoubtedly will shortly."

A slight re-wording makes the same thought usable in other languages, particularly in Italian and German.

In view of the directive from the State Department, forbidding comment on the St. Pierre and Miquelon situation, our short-wave stations have been needing something to change the rather unrealistic pattern of their broadcasts to France. Some of the French-language broadcasters have confessed to feeling a bit soggy, and one of them called our monitors to ask if this feeling were reflected in his broadcasts.



### PART III

#### A Brief Glance at Japanese Propaganda Strategy:

Japanese propaganda, like that of our other enemies, is an active participant in the war effort, instead of being a resultant or subsidiary product of it.

The Japanese have learned well what total war means and they understand how to coordinate their economic, diplomatic, military and propaganda weapons using each to support the other.

For more than a year, Japanese propaganda has contained a noticeable Teutonic flavor. Since the Japanese let loose their Sunday Punch at Pearl Harbor, the Nazi influence has been even more apparent.

Nazi Racism finds its counterpart in Japan's "Asia for the Asiatics".

The Nazi technique of simple, repetitive slogans -- "Make it simple, tell them often, make it burn" -- serves Tokio as well as Berlin.

Both Nations were forced into the war by the encirclement policies of their enemies.

Both are invincible.

Both love the neighbors they are murdering.

Both seek only peace and prosperity for all.

Both personify their enemies, who never are the people they kill.

Both use with persistent skill and accuracy, all the propaganda about which the President warned.

Both propaganda Ministries employ psychological blitzkrieg, aiming for a quick victory today and leaving consolidation for some other time, by other means.

Since Manila radio transmitters have been abandoned, the Japanese have increased their propaganda barrage to the Philippines, offering to set up an "independent Government" for them, and promising them liberation from the United States particularly, and the white race generally.

This week, the Japanese hailed the Filipinos as "our Asiatic brothers", and promised them places in the greater East Asia Co-prosperity Sphere. The slogan of "Asia for the Asiatics" thus included the Filipinos.

The Japanese radio treatment of General MacArthur's communique reporting anti-white restrictions in Manila provided an interesting example of how Japanese propaganda coordinates with the military.

It would seem likely that racial discrimination in Manila was decided on for propaganda purposes. It would not be well received in the Caucasian world, but among certain Asiatics it perhaps would seem less atrocious than it does to us.

There was, then one obvious thing to do when broadcasting to Europe and America -- deny it. The Japanese

radio, ably assisted by Rome and Berlin, forthwith did deny it, and attacked General MacArthur for unsoldierly conduct.

But on the Asiatic beams, Tokio did not trouble to deny. It talked about "Asia for the Asiatics" with redoubled enthusiasm, instead.

### Notes on Part III

When Manila was no longer able to take our short-wave programs for rebroadcast, arrangements were made for rebroadcasting them from both Batavia and Singapore.

Instead of using only the KGEL transmitter, we began last Sunday to use three additional RCA transmitters in San Francisco. This provides diversity reception throughout the Far East, and increases the signal strength.

We are now broadcasting to the Far East in English, French, Dutch, Japanese, Mandarin, Cantonese, and Tagalog.

Regarding General MacArthur's communique about race discrimination, our own short-wave editors were requested on the first night not to over-emphasize the Manila discrimination story in Asiatic broadcasts. When the Japanese subsequently demonstrated that our snap analysis was correct, the story of double-tongued Japanese trickery was made available for broadcast on all beams.

#### PART IV

##### Reaction to the Declaration of the United Nations:

The Axis found itself unable to attack the declaration frontally, so it sought the soft spots for thrusts on the flanks. It seemed to feel the softest spot was the inclusion of India as a sovereign power. Tokio's broadcasts have been most energetic on this score.

All this week, too, the Axis has scolded about the inclusion of Canada, Australia, and other members of the British Commonwealth. "That was Britain's trick to get more votes in the League of Nations", Berlin says. "But this is not the League of Nations."

Broadcasts in other than Portuguese and Spanish deny the sovereignty of Cuba, Costa Rica and the other Latin American signatories. "They have no sovereignty", the Axis says flatly. "They merely live on the subsidies of the United States."

All Axis broadcasters refer to the signatories as "puppets, but it has been notable that they do not contrast the declaration of the United Nations with the Anti-Comintern conference in Berlin. Not even Fascists mention the two in the same breath.

##### Notes on Part IV

The declaration of the United Nations was signed, made its "plus" headlines, and then sagged.

American short-wave editors found it difficult,



within their established pattern, to broadcast about a subject on which there is no news.

Except for the President's references to the United Nations in his address last Tuesday, there has been a notable lack of official discussion of the subject in the United States, England, or the U.S.S.R.

We have sought, without much success, to obtain official statements indicating what implementation of the declaration might be expected. It's a good subject to keep alive, but it doesn't thrive on last week's words.

On radio waves, for listeners at home, the broadcasts from Berlin and Rome play up pledges of fealty to the dictators and the success of the "voluntary" contributions of clothing and skills for the troops in the East. And again the Axis propagandists are exploiting their adversity, through with somewhat less breast-beating in an attempt to unify their people against a common danger.

The Japanese, meanwhile, have learned to exploit their successes. Their propaganda battle with neutralizing words, and their news agency and radio is never short of something to say.

This constant bombardment of military and propaganda warfare is the most distinctive feature of Japanese

## PART V

### The Military Story

Germany and Rome have kept the full force of their defeats from striking short-wave listeners by filling the air with stories of Japanese successes against the new enemy.

In one Berlin short-wave broadcast, the first 13 items were devoted to stories of Japanese successes against the United States and the British.

The defeats in Libya and the U.S.S.R. are reported in the stilted language of military communiques.

On medium wave, for listeners at home, the broadcasts from Berlin and Rome play up pledges of fealty to the dictators and the success of the "voluntary" contributions of clothing and skis for the troops in the East. And again the Nazi propagandists are exploiting their adversity, though with somewhat less breast-beating in an attempt to unify their people against a common danger.

The Japanese, meanwhile, have learned to exploit their successes. Their communiques bristle with headlines making words, and their news agency and radio is never short of exciting copy.

This evidence of coordination of military and propaganda warfare is the most distinctive feature of Japanese

propaganda. The irresponsible Japanese stories about the Chinese war have only the Chinese Propaganda Ministry to furnish competition.

Notes on Part V

The Russians have been left to do it alone, so far as propaganda from the Eastern Front is concerned. So have the Chinese. No military observers from the United States or Britain have come out to tell thrilling stories of the first major defeat ever suffered by Adolf Hitler. Ambassador Steinhardt has nothing to say about the Soviet organization for total war. Anthony Eden is taciturn. We don't know what General Brett learned in Chungking.

In the Philippines, the situation is even more critical. The first news dispatch which might give Americans the idea that men of flesh and blood -- their own neighbors, perhaps -- are engaged in battle in the Philippines, came through today. It was a short dispatch from the Associated Press man.

Military communiques, especially ours, are juiceless things. No other news comes through.

The same censorship which forbids information about what happened to our fleet in Hawaii also seems to forbid information about what happened to our fellow citizens in Hawaii.

People at home and abroad must keep reminding themselves that the people of the United States really are in this war.

This subject wants further consideration, which it already is getting in our strategy board. It is mentioned here only as a continuing report, and a melancholy one, concerning one phase of this weeks' activity on the propaganda front.



January 12, 1942  
6:00 P.M.

W.J.D.  
Talk to Hap  
Arnold about  
this. JBR

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The attached is a memorandum which has been handed to me by Mr. C. R. Smith, President of the American Airlines. It deals with the suggestion of using the facilities and pilots of commercial airlines in the ferrying of military aircraft.

FERRYING MILITARY AIRCRAFT

Military aircraft must be ferried from the point of manufacture to the airport of destination or the port of embarkation. The majority of our factories being located near one coast or the other, most of the ferry trips involve transcontinental journeys of more than 2,000 miles.

Two principal groups of people in aviation are equipped and qualified to accomplish transcontinental aircraft flights: 1. Members of the military forces. 2 Personnel of the scheduled civil airlines.

The accomplishment of the job of ferrying military aircraft should be predicated upon a plan which will involve the minimum of interference with other functions:

1. With respect to military personnel, the

The pilot minimum of interference with other duties which must be accomplished by the military establishment.

2. With respect to airline personnel, the minimum of interference with the continued operation of scheduled air transportation.

With respect to the military establishment, it can be accepted as a general rule that the maximum amount of ferry work should be "farmed out" to others, in order that greater time and energy can be devoted by the military establishment to the accomplishment of other duties. The only proviso with respect to that general rule is that the "others" be equipped to handle the job expeditiously and well.

A very substantial part of the work of ferrying military aircraft can be accomplished by the scheduled airlines, without substantial interference with the continued operation of scheduled air transportation.

#### Legal Limitations Upon Pilot's Flying Hours

The law under which the civil airlines operate prescribes that a pilot cannot be scheduled to fly more than 85 hours per month. The airline pilots worked for many years to secure the passage of that legislation and they are, naturally, reluctant to see it modified or repealed.

The pilots are, however, willing and ready, during this period of war emergency, to devote additional flying hours to the national program, over and above the 85 hours which each of them will devote to scheduled airline service.

That can be accomplished, legally, without changing or repealing the existing law; by the pilots and the airlines agreeing that time devoted to military service will not be counted in the 85 hours which will be devoted to airline service. Both the pilots and the airlines will agree to do that.

#### Other Limitations

Responsibility for flying a modern airplane requires eternal vigilance and attention. From the standpoint of mental and physical fatigue, a pilot's flying hours should not be unduly lengthened. It is my belief, however, that 100 hours per pilot per month can be accomplished without passing the point of safety margin.

Let each airline pilot then devote 85 hours per month to airline flying and 15 hours per month to the ferrying of military aircraft.

#### Potential Accomplishment

A transcontinental journey can be accomplished in

nearly all types of military aircraft in less than 15 hours. Training planes, which are simpler to fly and go slower, can be flown by people with less experience.

There are about 1,000 first pilots in airline service. If each of them will devote 15 hours per month to the job of ferrying military aircraft, approximately 1,000 airplanes per month can be ferried by airline personnel. That is a very substantial proportion of our present national aircraft production.

#### Divide Up the Job

One of the safety attributes of the airline pilot is that he has the opportunity of becoming familiar with the terrain over which he flies and the weather he encounters, having the opportunity of making many journeys over substantially the same route. One of the present difficulties confronting military ferry personnel is that they have to endeavor to gain familiarity with a great expanse of the United States, for they have a great number of factories from which ferries must be made.

Assume that detailed study of the problem reflects that the airlines can ferry 1,000 planes a month. Then give the airlines a specific problem; if the production of the San Diego Consolidated plant and the Douglas Santa Monica-Long Beach plants are, or will be, 1,000 planes a month,



say to the airlines "You ferry the production of Consolidated and Douglas and the Army will ferry the balance." That plan will give each, the airlines and the Army, the opportunity to better concentrate and plan and the job will be done by both of them better.

#### Airline Facilities Available

Many things are required for effective aircraft operation other than pilots: dispatchers, communication facilities, fueling facilities, meteorologists, mechanics, etc. All of these things are available NOW, on the airlines, and they can be promptly and effectively utilized in ferrying aircraft by the airlines for the account of the military forces.

#### Cost

This will not be a profitable venture for the airlines; they do not expect it to be. The plan would be to pay the pilot his regular measure of compensation for the time that he devotes to military service, no more and no less. His reasonable and actual expenses would be paid, including transportation back to his base after he had completed a ferry. The airline would bill the government only for those expenses, nothing more. No charge would be made by the airline for supervision, for communication,

for weather services or for general aid. If repairs had to be accomplished, they would be accomplished by the airline at actual cost.

Potential Military Objections

1. These airplanes are military airplanes, involving military fighting equipment; they should be flown by military pilots.

The answer to that is that most of the airline pilots are now members of the military reserves. If you want to, you can put all of them into the military reserve within a few days.

2. Orders involving the transfer of military airplanes involve military orders and military orders cannot be issued to people unless they are members of the military forces.

The answer to this is that you do not have to issue orders to individual pilots under this plan; make a contract with the airlines to ferry the airplanes, tell them where they are, where they are to go and when they are to be there and let the airlines issue the orders to the pilots.

3. The Army has a ferry command set up to do this work; why not let it do the job?

The job is big now and it is getting bigger. There are not enough seasoned pilots in the Ferry Command to do the job that is ahead. There is perhaps no place from which the Ferry Command can secure enough seasoned pilots to do the job without taking pilots from scheduled airline service and that is not necessary if this plan is followed.

Divide up the work; let the Ferry Command do part of it and the airlines do part of it. The more the airlines will take on, and the less the Ferry Command has to take on, the more military personnel can be assigned to other important tasks.

4. If the airlines, and the airline pilots, are willing to fly pilots 100 hours per month, why not let them fly 100 hours per month on the airline and turn the surplus pilots over the Ferry Command?

In the first place, the airlines offer not only pilots but other facilities, all now ready and available.

In the second place, under the present law,

airline pilots cannot fly 100 hours per month in scheduled service on the airline. They can fly 85 hours in scheduled airline service and 15 hours in ferry work without the necessity of changing the law. We would like to preserve the 40 hour week, although most of us are working many more hours than that. The pilots would like to preserve the 85 hour month, although they are willing to work a greater number of hours.



No. 146

January 14, 1942  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a summary of the military situation in Brazil from a chairman of a Brazilian oil company who has resided in that country for over twenty years, and who is a personal friend of President Vargas:

Source said that he had a number of friends in all three of Brazil's services and said that he could guarantee that the Air Force (where he has many connections in view of his occupation) is one hundred per cent pro-Ally; while the Navy is, in his opinion, ninety per cent pro-Ally. He knows the higher officers in the Army to be greatly infected with pro-Nazism, however, and

considers the Army as pro-Axis, his estimate of the proportion among the higher officers being seventy per cent pro-Axis. About four months ago, he considered these officers were divided fifty-fifty, but of late he had noticed a definite deterioration.

Source knew of large military airdromes at Bahia, Barreira, Belem, Fortaleza, Horizonte, Rio-Calabozo and Natal, but said that construction is proceeding apace on hundreds of landing grounds and small stations all over the country. There is a great deal of construction going on also at each of the above-named airdromes. Rio-Calabozo is now a very big station, while Natal is at present considered the best in Brazil, although Barreira will soon be the most up-to-date.

The types of aircraft most used in the Brazilian Air Force are Vultees and Vegas, whilst large orders

have been placed for Lockheeds, deliveries having already started, and there are now many other American types in use already. There are both fighters and bombers at the above stations, repair and maintenance workshops are now to be found, and the workmen employed on skilled maintenance and repairs are good. There are few modern hangars to be found, however, although some are in process of construction at Natal.

As Yet Brazil possesses no aircraft carrier and source estimates the total Brazilian Air Force at a total of three hundred or so aircraft, although it was admitted that this was purely guess.

There is at present a supply of aviation gasoline and oil adequate for three months, distributed evenly throughout the country, and source estimated that even in the event of a sudden attack supplies would continue

to be adequately distributed.

Qualitatively, source considered that the Army was improving rapidly. There are 130,000 regulars now under arms and reserves totalling 300,000 are being trained. It was learned from a confidential source that it was hoped to hand them over early in 1942 to the United States Army authorities to command. Source knew that it was the President's intention to enter the war in the course of 1942, but hoped that it would not be just yet, as Brazil required to make up a lot of leeway in the way of preparation, and an ill-timed move might precipitate trouble among the Nazis. At present the Air Force's main lack was money, and this applied to all the Service requirements to some extent.

There are 2500 Brazilian soldiers guarding the Natal airdrome in addition to the U. S. Marines there, and fifty per cent of all steamship and aircraft reservations



are going to the military who are being shifted northwards to the vulnerable Natal district as quickly and quietly as possible. Coastal defenses in this area are going forward and it is hoped to start laying mines early in 1942.

Source's informants in Government circles think that the danger of an Army coup has now passed and that the situation in Rio Grande do Sul, the German-infested province in the south, is well in hand. This latter is due to the extreme energy of General Cordeira de Silva who insisted that he be given complete powers in this province and has acted with great energy, always having been known as a fervent anti-Nazi. He has been seconded by very energetic police authorities.

In source's opinion the main danger point is Rio itself and the surrounding area, and that is due to the fact that most of the more dangerous Nazis have been sent

to Rio. In that district source is not unafraid of a coup. The Chief of Police in Rio is known as an out-and-out Nazi, but is being watched closely by the Government.

It is believed by source that if an election were held Vargas would sweep the polls. His stock has risen immensely, particularly of late, and even the inhabitants of Sao Paulo who two years ago hissed Vargas in the streets gave him a phenomenal reception when he visited Brazil's second city three weeks ago. Vargas is not in the least alarmed by the Integralistas, whom he considered as finished, and although he believed Communism to have been a danger not long ago, it is no longer thought to be such in view of the trend of events in Russia.

Source has particularly noticed the tremendous change in public opinion in Rio recently. The attack on Hawaii

had caused universal indignation, and strong pro-Ally sentiments were heard expressed in quarters that had been almost pro-Axis up until recently, while wavers had been definitely converted. The most surprising were certain figures in the Jockey Club, considered as strongly pro-Axis, who had come out strongly on the American side.

January 14, 1942  
6:00 P.M.

W. J. D.

Ask Arnold about dropping  
leaflets. Rest is problem  
of Joint Staffs

F. D. R.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have just received the following message  
from our radio man in London:

1. During the last few days, I have had intimate  
unofficial conversations with Sutton, Morton, and  
Bowes Lyon, and these conversations lead me to urge,  
in the strongest terms, that the questions of our  
providing at least token forces of American airplanes  
for leaflet operations be vigorously pressed in Wash-  
ington before we ask the British to handle United  
States leaflet No. 2.

2. I also urge that it would be extremely valuable  
if we could give some tangible proof that the question



of token Naval and Air Forces in Africa and the Mediterranean, was also being pressed.

3. No American pilots or American-made airplanes participated in the initial leaflet, evidently because unusually increased, specifically, military commitments made their use impractical.

4. As these commitments are, at the moment, so urgent and extensive, the Air Ministry is balking somewhat in continuing to carry out continuous and extensive British leaflet operations, which include *Courrier de L'Air* and which have included all the major Roosevelt speeches up to now.

5. The Air Ministry has used the United States leaflet operations to take the position that the fulfillment of American requirements should be taken as satisfying all political warfare needs of both

America and Britain.

6. This has obviously created a difficult position for PWE and they feel that a token American Air Force, assigned to the leaflet work, would answer the Air Ministry's argument.

7. The United States leaflet No. 2 has been prepared and will be ready for dropping by the end of the week.

No. 148

January 15, 1942

8:30 A. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I attach a memorandum made by Mr. Poole of our office, of my conversation today with Colonel Pacciardi. He is the leader of the Garibaldi Legion in Spain against the Italian Fascist Army. I think he would have quite a following. I have discussed with the Secretary of State protocol insofar as his organizing units here. If we could meet all conditions, it might well be possible to get up small fighting units that might make some landings in Sicily and Italy.

I will develop it further and submit something concrete to you.

January 14, 1942

MEMORANDUM

Colonel Pacciardi called on Colonel Donovan this afternoon, accompanied by Richard Rohman, Publicity Director of the Amalgamated Clothing Workers (Sidney Hillman's organization), 15 Union Square, New York City, telephone ALgonquin 4-6500. Mr. Wiley and Mr. Poole were also present during the interview, which lasted about 45 minutes.

Colonel Pacciardi explained that he had arrived in the United States about two weeks ago. It was his purpose to see what could be done to bring into being a military force of Italian citizens resident in the United States, South America, or any place else in the world, which could be used for fighting on any front.

Colonel Donovan made it very clear at the outset that he did not care to discuss the political aspect of the general question raised by Colonel Pacciardi. He said that he knew



Colonel Pacciardi as a soldier and was aware of his gallant and honorable record. He was happy to meet him as a soldier and to discuss with him possibilities of military action.

If, therefore, Colonel Pacciardi cared to submit to him (Colonel Donovan) the outline of a strictly military project, Colonel Pacciardi could be assured that it would receive the most sympathetic consideration. Such a project might include the creation, from among Italian citizens in the United States and elsewhere, of a reservoir of men from which military units could be created suitable for various kinds of military enterprise. If this were done, it was possible that the necessary financing could be arranged and a place found where the volunteers could train.

It was the essence of Colonel Donovan's idea, however, that any Italian military force which might be created in this way should not be identified with any Italian political

party or parties; and in particular that no political commitment should arise so far as the United States government was concerned, either expressly or by implication.

Politics must be left out. The Italian citizens who might join such a military force would do so simply because they were ready to fight and die for the freedom of their country. The only question which would be asked of them is, "Are you ready to fight?" If the unit were called the Garibaldi Legion, for example, that in itself would make it clear that the volunteers were fighting to free their country and to create a situation wherein later on they could make their own political choices.

Colonel Pacciardi on his part emphasized that he was not a politician, but a soldier and a man of action. For

him politics were altogether secondary. He had to point out, however, that he could not put himself and his associates in the position of being mercenaries. It could not be said that he had sold himself first to France, then to Italy, and now to the United States.

Colonel Donovan remarked that the whole essence of his thought was to deal with Colonel Pacciardi simply as a fellow soldier, and he would certainly propose nothing which might sully the Colonel's honor as a soldier.

If Colonel Pacciardi cared to come to him in that spirit and submit a proposal which did not involve political commitments, the proposal would be studied in a friendly spirit and with a view to rendering all necessary assistance.

No. 149

January 15, 1942  
8:30 A.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The following report has been submitted to me by those of my associates who are studying the Greek situation. In view of the fact that King George II might come here, I thought you would be interested in it:

THE FIGHT AGAINST KING GEORGE II

Persons covered in this report are:

1. K. Kotzias: Former mayor and later Minister-Governor of Athens under the Metaxas and Corizis Governments.
2. Apostolides: Minister of Finance under Metaxas.
3. Diacos: Director of the Political Bureau of the Prime Minister (Metaxas).
4. Col. S. Venizelos: Son of the celebrated Eleutherius Venizelos. Greek Military Attache in Washington.
5. K. Venizelos: Clever brother of the not-so-clever Col. S. Venizelos. Formerly in the Greek Diplomatic Service. Of some transitory but bitterly criticized importance behind the scenes during his great father's various tenures of office. His present major personal interest is merchant-ship operation. He is criticized for his deep prejudices which almost approach fanaticism. He is never openly in politics and is content to remain anonymous. He exerts great influence on his brother.



6. Steleos Pistolakis: Nephew of Eleutherius Venizelos. Came to the United States as a voluntary exile in 1936. He is very active in politics and, despite present reticence, should be observed as a possible coming man.

7. Vlavianos: Owner and publisher of the Greek daily newspaper National Herald.

8. Canellopoulos: Royalist politician. Left Greece under German auspices after occupation. Extremely dangerous and is probably a German agent.

The cast as outlined above is alike in hostility toward the present Government of King George II, under Premier Tsouderos. Their similarity ends here; each has an independent reason for his antagonism; each has his personal aim to achieve -- some for ideological reasons; some through sheer personal ambition. If there is an outward show of harmony between these men (and their followers), it is not to be trusted. Their only catalyst is their determination to destroy the present Government-in-Exile. Their loose coalition may blow up at any moment with a violence that will harm Greece and injure American and British interests.

It should be remembered that Premier Tsouderos is a confirmed Liberal and that his instincts, training, and history cause him discomfort in the present necessity for a semi-authoritarian administration of his office. Tsouderos' laudable instincts tend to contribute to the confusion. Some of the persons with whom this report is concerned hope

their agitation will burst the present straining ties between the members of the Government and that from the wreckage their own careers or ideologies will benefit.

Covered Apostolides and Diacos, fully aware of the suspicions caused by their association with the Metaxas dictatorship are covering their tracks. They probably hope to disarm their critics, though they must realize they cannot hope to win the confidence of many of their enemies. Diacos, the sinister "brains" of Metaxas and Apostolides, the executor of Diacos' plans unquestionably expects again to win control of Greek affairs. In considering these men it should be remembered always that their flight was not caused by fear of the Germans, to whose service they have been faithful. They inspired the German-appeasement policy of the Metaxas cabinet before and during the war with Italy.

not g Their fears are caused by the numerous bitter enemies they acquired during the four years of dictatorship. They were afraid of consequences to their persons during the chaotic days following the German occupation, especially since they no longer had the protection of Maniatakis' Greek Gestapo.

The above applies to Maniatakis, and also to Kotzias who, however, is built to play a different game. Kotzias is motivated mostly by personal interests and is likely to embrace the cause that appears to him to be the most apt to further his ambitions with the greatest degree of personal safety. His campaign includes Greek-American press interviews

and articles and Greek-American public appearances. He also proposes to write a book or two. He hopes by stirring up Greek-American public opinion to exert pressure on the Government-in-Exile, and even imagines he may gain some support through American official channels. The first step he expects to achieve is appointment to a cabinet post. He has gained a minor moral support and a little financial aid due to his attractive personality and because of respect for his family. Despite his weaknesses, Kotzias should not be discounted entirely for he is thoroughly disarming on personal contact. He sways crowds, and under circumstances favorable to him can sweep his public off its feet. Under enemy tutelage he could be a dangerous figure.

Colonel Venizelos is the opposite of Kotzias. He is not greatly concerned with personal or prestige motives. His indolence and extra-curricular feminine attachments disqualify him from activities that would promote him politically, although with his illustrious name and the indulgence he enjoys the Greek public would otherwise offer him a splendid chance at the premiership. He detests King George II and hates some of the ministers in the present cabinet. In a sense he is a spiritual leader of those Liberals who share his prejudices. He is thus prevented from active collaboration with the Government he serves and criticizes, though Premier Tsouderos greatly desires his help. He shows no

enthusiasm for his duties as Military Attache. States.

Colonel Venizelos permits a strangely divergent crowd of dissidents to gather about him, united only in their opposition to the King. Certain of them are as much his enemies as they are enemies of the King. Many of them would never enjoy 'Venizelos' collaboration except on such occasions when he can use their opposition to the person he opposes. It may be that he neither appreciates nor cares for the duties imposed upon him by the weight of the name he bears or the position he holds as the King's military representative. But it is certain that many of the dissatisfied persons who crowd about him are attempting, with various degrees of success, to use the magic power of the name of Venizelos.

The two principals who are exploiting the Venizelos auspices are Canellopoulos, the industrialist, and Vlavianos, the publisher. The first is gravely suspected of being a German agent, and at all events has been a vicious enemy of the elder Venizelos and of all who were in the Liberal camp. He has been a confirmed Royalist all his life. But now he is joined by Vlavianos, a Liberal under the banner of Venizelos, in bitter attacks on the King; while Vlavianos, who might be expected to attack the King, is also attempting to undermine Tsouderos, his own political leader. Both of these gentlemen unite in private and in semi-private conversations in anti-Government propaganda; while on the other hand, they try to establish friendly relations



with Government members presently in the United States.

Both Canellopoulos and Vlavianos, and also Colonel Venizelos, have said that the Government-in-Exile should resign in protest unless the British Government repairs what they call the ungrateful omission of food shipments to Greece. In their criticisms of the British Government they ignore facts known to them and have been guilty of misleading statements on this subject.

Vlavianos has great personal political ambitions, which led him to purchase the Greek-American Liberal daily, National Herald. Added to his private criticisms on the Government are his rather indiscriminate attacks on the Greek Minister in Washington, the Greek War Relief Society, and the Consul-General in New York. He proposes the re-establishment of a republic in Greece.

Pistolakis is successful in remaining obscured from the public, but he directs some sharp moves against the Government.

It is an unholy alliance of bitter enemies we have described. For this and other reasons it is a dangerous allegiance. If it continues, it may succeed in the actual overthrow of Tsouderos, but it contains so many explosive elements that it may blow apart. If it does, it will set off a train of feuds that will be a real detriment to the unified war effort; and it does affect the morale of American citizens of Greek origin.